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World Bank Chief Urges More IMF Funding

By Alan Friedman
International Herald Tribune

PARIS — The president of the World Bank, weighing into the debate over how the world can prepare for any future Mexico-style financial crises, has called for a major increase in the resources available to the International Monetary Fund.

The bank president, Lewis T. Preston, who is leaving his job at the World Bank because of ill health, said in an interview over the weekend that senior Western policy-makers are worried about whether there was a large enough pool of funds available at the IMF to contend with another crisis as big as the recent Mexican currency crisis.

Mr. Preston, speaking publicly for the first time since his resignation was announced, noted that making sure the monetary fund had enough resources was "very important."

"I think that if that if the United States is going to encourage the IMF to devote a substantial portion of its

resources to a place like Mexico, they better get the fund some resources that are credible going forward," Mr. Preston said.

Separately, Michel Camdessus, managing director of the IMF, said that he was prepared to modify his proposal to create more than \$50 billion worth of new funds available to the IMF, as part of an effort to deal with any future Mexico-style crises.

The Mexican crisis — which last month led to a \$52 billion international rescue package backed by the U.S. Treasury, the IMF and the world's leading central banks — is still rumbling on. As part of the rescue, Mexico was promised a record loan of \$17.8 billion from the monetary fund, but some central banks are now backing away from their commitment to help finance part of this IMF credit.

The degree of uncertainty about Mexico's deeply troubled economy was underscored on Saturday when Robert E. Rubin, the U.S. Treasury secretary, said in a television interview that the U.S.-led rescue plan was "sound" but that its success was not guaranteed.

Mr. Rubin warned that if Mexico were to default on

the U.S. or IMF loans, that would have a "significant and long-lasting effect" on the U.S. economy.

The issue of whether to create a global safety net to deal with future national crises of the sort Mexico is enduring has become a top priority among the wealthy Group of Seven nations, and it will be discussed during a meeting in Washington in late April of the monetary fund's policy-making Interim Committee. Leaders of G-7 nations will also try to come up with a proposal during their annual economic summit meeting, to be held in Halifax, Nova Scotia, in June.

During the annual meetings of the IMF and the World Bank in Madrid last autumn — the last time world financial leaders examined the monetary fund's resources in a multilateral setting — the G-7 and developing countries were deadlocked over conflicting proposals to create billions of dollars worth of the IMF's artificial currency, the Special Drawing Right.

At Madrid, the G-7 vetoed a proposal from Mr. Camdessus that would have allocated a total of 36 billion

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Japanese Criticize Police Over Cult Inquiry

By T. R. Reid
Washington Post Service

TOKYO — Did Japanese policemen botch the Tokyo subway mass-murder case?

As evidence piles up to implicate a secretive religious sect in the gas attack that left 10 people dead last week, questions and criticism are starting to pop up suggesting that the police were too slow to move against the group.

The police enjoy enormous prestige here, thanks to their scandal-free history and their famed skill at solving crimes — Japan has the lowest rate of unsolved cases of any free nation. But circumstances leading up to the subway killings may undermine that image.

Essentially, the question is whether the police waited too long to mount

The police pursue murder charges against the Japanese sect. Page 5.

search-and-seizure raids against the religious sect Aum Shinrikyo — that is, whether they should have known enough to crack down before the attack.

The police are being challenged on several points. First is their handling of a mass-murder case in June, when seven people were killed in Matsumoto, in central Japan. In that case, as in the subway attack last week, the deaths were caused by the rare nerve gas sarin.

In the Matsumoto case, the police, and the press, focused for weeks on a man who is now generally considered to be not guilty. In contrast, the police did not move against Aum Shinrikyo, despite specific complaints from people in Matsumoto and evidence at the time suggesting that the sect had made sarin gas at its retreat near Mount Fuji.

Sometime after the Matsumoto poisonings, according to press reports, the police discovered that the sect had a warehouse filled with enormous quantities of chemicals — including those used to make sarin. Evidently, nobody acted on this information.

Today, Aum Shinrikyo is reportedly the chief suspect in the Matsumoto killings. In addition, people have asked how the police responded to warnings that the same gas might be used in an attack on public facilities in Tokyo.

In September, an unsigned 11-page document was distributed in Tokyo to the press and evidently to some government offices. According to newspaper reports, the document included a long description of the Matsumoto poisoning case and a discussion of the Aum Shinrikyo sect and its history of violence. It warned that subways or concert halls in the city might be attacked with sarin.

In February, an American expert

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Major Battle Tests Rebels In Widening Algerian War

Despite Heavy Losses, Militants Show Gains in Their Ability to Fight

By Youssef M. Ibrahim
New York Times Service

PARIS — An operation by Algerian troops that ranks as the largest military engagement in three years of civil strife suggests that the ability of Islamic rebels to mount attacks against the government has increased immensely, according to interviews with former government officials and news reports from Algiers on Sunday.

Two Algerian dailies with close ties to military authorities, *Al Watan* and *La Tribune*, reported that at least 300 guerrillas of the Armed Islamic Group had been killed in a large operation that began on Tuesday and was still in progress on Sunday.

The government military assault followed informants' reports that a contingent of 500 armed Islamic militants were heading in as many as 30 trucks toward Algiers to attack government facilities, the two newspapers said.

Al Watan and *La Tribune* said the government operation was being carried out in a heavily forested region known as Ain Delfa, 140 kilometers (85 miles) southwest of the capital.

Another newspaper, *Le Soir d'Algérie*, said government troops had killed at least 600 rebels and were pursuing fleeing survivors.

Al Watan said the rebel offensive had been planned "to strike the imagination and provoke shock."

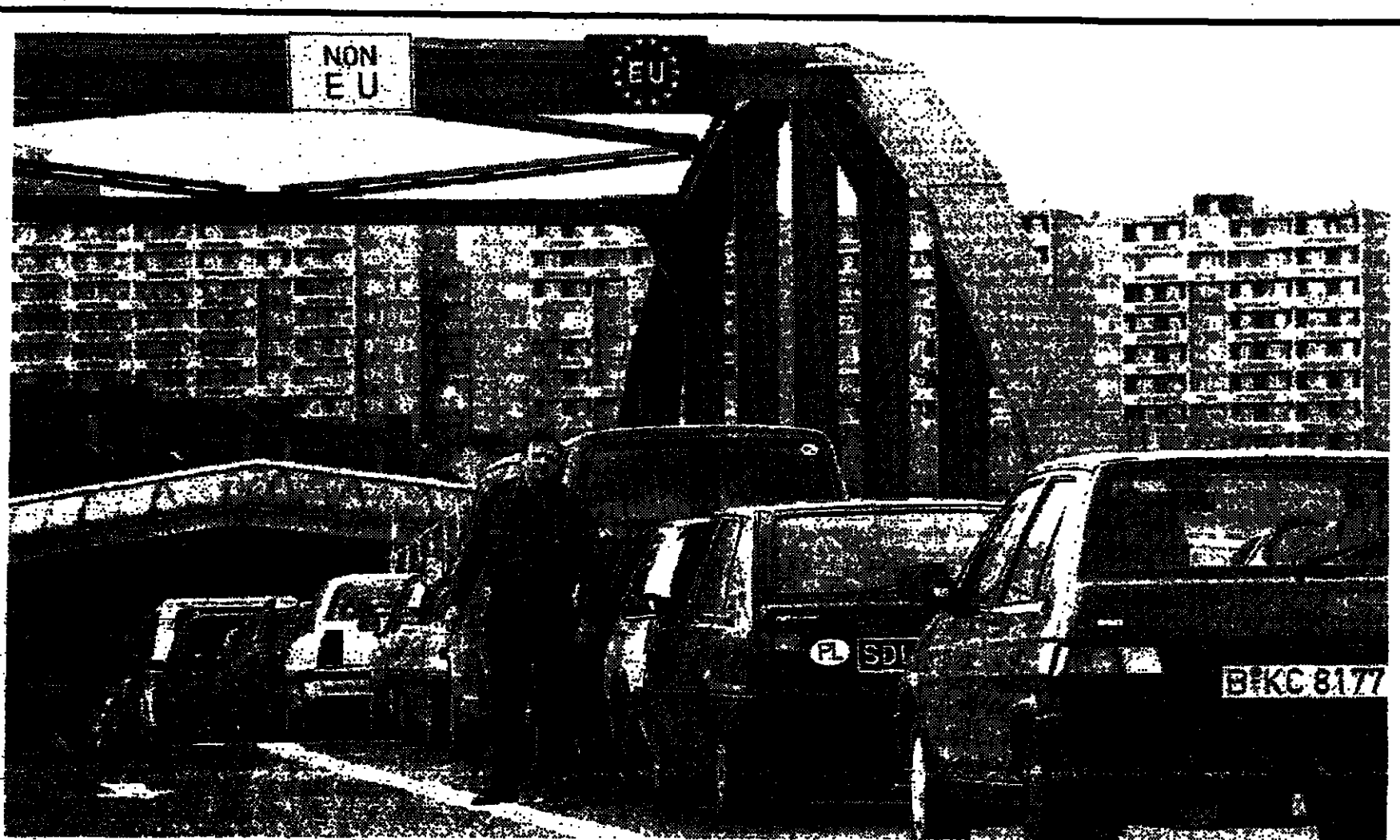
Commenting on these developments, specialists in Algerian affairs here said Sunday that the fact that so many armed Islamic fighters could have been assembled and placed in trucks, and moved undetected for a time toward the capital, indicated that rebel logistical capabilities had become sophisticated and benefited from a significant degree of cooperation outside, and, perhaps, inside the government.

Former Algerian government officials living in France said in interviews Sunday that although the government military operation represented a significant blow to the Armed Islamic Group, it also confirmed that the militants' ranks were swelling with new recruits and that the scale of its operations was growing.

A former Algerian cabinet minister said: "One can look at it in two ways: First, the government's offensive is becoming impressive. But, second, it also means the fundamentalists have turned into quite a sophisticated threat."

Al Watan and *La Tribune* said the government operation was being led by General Saeed Bey of the Algerian special forces, using helicopters and artillery. The two newspapers said that an initial count of guerrillas killed in action stood at 300 but that the toll might climb higher. The reports gave no figures on government

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BRIDGE TO SCHENGEN-SPACE — Cars lining up Sunday at the German-Polish border after seven EU countries eased internal frontier checks. Page 6.

Terror Suspect Nearly Bombed 2 U.S. Jets, Officials Say

By Philip Shenon
New York Times Service

MANILA — A computer disk and documents found in an apartment here in January show that Ramzi Ahmed Yousef, the man accused of engineering the World Trade Center bombing in New York, was only days away from trying to blow up two U.S. jumbo jets near Hong Kong and that he had personally planted a test bomb that exploded aboard a Philippine airliner, according to U.S. and Philippine officials.

The material reveals that Mr. Yousef,

now in custody in New York, was planning for bombs to explode simultaneously aboard two United Airlines 747 jets — one arriving from Los Angeles, one from Singapore — as they approached Hong Kong's international airport on Jan. 22, investigators said.

The plot was foiled on Jan. 6, they said, when the Manila police investigated a kitchen fire in the apartment and found bomb-making equipment and other evidence that tied Mr. Yousef not only to plans for the bombings, but also to a plot to assassinate Pope John Paul II during his visit to the Philippines that month.

Philippine police investigators have begun to release the details in preparation for bringing criminal charges against Mr. Yousef.

He was arrested last month in Pakistan and extradited to the United States to face charges that he planned the February 1993 bombing of the World Trade Center. That bombing killed six people and injured more than 1,000.

Investigators say there is little doubt that the man who rented the Manila apartment under an alias was Mr. Yousef. The police here say that they have received a Feb. 22 report from fingerprint experts of

the Federal Bureau of Investigation to confirm this.

On Friday in New York, Mr. Yousef all but acknowledged a motive for the terrorist attacks, saying in a statement released by his lawyer that U.S. support of Israel gave Palestinians and Lebanese the right to attack American targets.

Mr. Yousef, who is trying to portray himself as a political prisoner, said in the statement that his real name was Abdul Basit Balochi, that he was born in Pakistan, and that he was a trained electronics

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Russia in Transition: A Tawdry Cat Fight

By Fred Hiatt
Washington Post Service

MOSCOW — In the beginning, it all seemed simple: Russian politics was a struggle between reformers and hard-liners, democrats and communists, good guys and bad guys.

Times have changed. Most recently, Russia's epic post-Soviet struggle seems to have dwindled to a tawdry cat fight among private companies well connected to officials.

Russia's seeming descent into corruption, chaos and war has left many here and in the West wringing their hands over the perversion of democracy. Especially since President Boris Yeltsin sent troops into Chechnya three months ago, an assault that continues in defiance of public opinion, the question of the day has become where democracy has gone wrong.

But democracy has not died, if only

because it was never fully created, many analysts here say. Rather, Russia today remains a proto-democracy, undeniably in transition. The important question is what Russia is in transition to.

No one can answer that yet, but some clues can be gleaned from an examination

NEWS ANALYSIS

of the extent of democracy today, of the actual capabilities of the state and of what lies beneath the convulsions of Russian politics.

"What do we have, a democracy or an authoritarian government?" asked Mark Urnov, a top adviser to Mr. Yeltsin. "In my opinion, neither one nor the other. We're in a transitional society."

Government intrusion is the norm. Laws remain less important than personal connections.

Secrecy is also the norm. Decrees are

signed but not published. Decision-making is shrouded in rumor. Connections between politicians and money are rarely revealed. When Prime Minister Viktor S. Chernomyrdin was asked in Parliament about his reported stake in the privatized natural-gas monopoly Gazprom, he did not bother to answer.

"This absence of political and civil institutions, along with secrecy at the top, sharply limits ordinary people's ability to influence events."

"In such conditions, the people can't actively participate in political society, as they do in the West," Mr. Urnov said. "And if they can't, the elites will fill that vacuum."

Kremlinology is again, after a brief period of openness, a study of rumor and conspiracy.

But to a large extent, it is safe to say that what the elites — from the old Communist

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Microsoft Can't Seem to Get the Bug Out

The Associated Press

SAN MATEO, California — A flaw in Microsoft Corp.'s long-awaited Windows 95 operating system can freeze up computers that are running several applications at once.

Newstand Prices

Andorra	9.00 FF	Luxembourg	60 L Fr
Antilles	11.20 FF	Morocco	12 Dh
Cameroun	1.400 CFA	Catar	8.000 Rials
Egypt	5.000 P	Finland	11.20 FF
France	9.00 FF	Saudi Arabia	9.00 R
Gabon	950 CFA	Senegal	950 CFA
Greece	250 Dr	Spain	225 PTAS
Italy	2.600 Lire	Tunisia	1.000 Din
Kenya	1.120 CFA	Turkey	45.000 L
Lebanon	1 JD	U.A.E.	8.50 Dirh
	USS 1.50	U.S. Mil. (Eur.)	\$1.10

Just before the preview version of the software giant's much anticipated software hit the U.S. market over the weekend, a computer magazine hit the stands with a story detailing the bug.

Microsoft has developed a software fix for the program that is supposed to deal with the problem. But the fix will not be included in the first 450,000 test copies of Windows 95 that the company has already begun to ship for previews. The fix will be shipped later.

"I fear that unless Microsoft goes back to the drawing board on this operating system, only light users will get anything out of it," said Nicholas Petreley, executive editor of InfoWorld magazine, which reported the flaw Friday.

The August release of Windows 95 is

being awaited breathlessly by the software industry and computer aficionados.

New software products often harbor minor flaws. But Microsoft, the world's leading maker of personal computer software, has delayed the debut of Windows 95 a few times, raising questions about whether there were more serious problems.

Yusuf Mehdi, a product manager for Microsoft's principal systems division in Redmond, Washington, said Friday that even without the fix, Windows 95 can run sophisticated applications.

"You can run several, but you'll run out," he said. "It's a question of quantity."

Mr. Petreley said Microsoft provided the magazine with a copy of the fix. While it helps the initial problem, he said, it can make Windows 95 less stable.



TRIUMPHANT START — Michael Schumacher celebrating his victory Sunday in the season-opening Brazilian Grand Prix in São Paulo. Page 19.

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Confronting Reality in Africa

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Down and Out in Retirement

EUROPE
UN Evacuates Kurds in Iraq

BUSINESS/FINANCE
Rising Yen Challenges Dollar

AGENDA

Canadians Stop Spanish Trawlers

SAINT JOHN'S, Newfoundland (Reuters) — Spanish trawlers ceased fishing in disputed North Atlantic waters off the coast of Newfoundland on Sunday after Canadian fisheries officials took action against one of the vessels.

"Our goal today was to make them stop fishing," said a spokesman for Fisheries Minister Brian Tobin, "and that is the case."

Officials confirmed they had acted to halt the Spanish fleet trawling for Greenland halibut, or turbot, on the Grand Banks just outside Canada's 200-nautical-mile limit, but declined to elaborate.

Four Canadian patrol boats reportedly converged on a Spanish trawler with the intention of boarding, causing the fishing to stop.

3 Killed in Explosion At Guatemala Airport

GUATEMALA CITY (Reuters) — Three people were killed and dozens were seriously injured on Sunday when a Guatemalan Army munitions warehouse exploded at the capital's main airport, officials and local radio reports said.

Two firemen and an army official died from severe burns after the explosion of grenades, mines, dynamite and bullets caused a huge fire at the airport. The international airport was closed and all flights suspended because of the fire. The force of the explosions blew out most windows in the airport.

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In Africa, Good Was Skewed by the Bad/A Journalist's Farewell

A Black American Confronts a Cold Reality

By Keith B. Richburg
Washington Post Service

I WATCHED the dead float down a river in Tanzania. Of all the gut-wrenching emotions I wrestled with during three years of covering famine, war and misery around Africa, no feeling so gripped me as the one I felt that scorching hot day last April, standing on the Rusumo Falls bridge, in a remote corner of Tanzania, watching dozens of discolored, bloated bodies floating downstream, floating from the insanity that was Rwanda.

The image of those bodies in the river lingered in my mind long after that.

How can I describe it? Revulsion? Yes, but that doesn't begin to touch on what I really felt. Sorrow, or pity, at the monumental waste of human life? Yes, that's closer.

But the feeling nagging at me was — is — something more, something far deeper. It's a sentiment that, when uttered aloud, might come across as callous, self-obsessed, maybe even racist.

But I've felt it before, that same nagging, terrible sensation. I felt it in Somalia, walking among the living dead of Beidoa and Baardheere, towns in the middle of a devastating famine. And I felt it again in those refugee camps in Zaire, as I watched bulldozers scoop up black corpses, and trucks dump them into open pits.

I know exactly the feeling that haunts me, but I've just been too embarrassed to say it.

So let me put it as simply as I can: There but for the grace of God go I.

Somewhere, sometime, maybe 400 years ago, an ancestor of mine whose name I'll never know was shackled in leg irons, kept in a dark pit, possibly at Goree Island off the coast of Senegal, and then put with thousands of other Africans into the crowded, filthy cargo hold of a ship for the long, treacherous journey across the Atlantic.

He was ripped away from his country and his family, forced into slavery somewhere in the Caribbean. Then one of his descendants somehow made it up to South Carolina, and one of those descendants, my father, made it to Detroit during World War II, and there I was born, 36 years ago.

AND IF that original ancestor hadn't been forced to make that horrific voyage, I would not have been standing there that day on the Rusumo Falls bridge, a journalist, a mere spectator, watching the bodies glide past me like river logs. No, I might have instead been one of them. And so I thank God my ancestor made that voyage.

Does it sound like this black man has forgotten his African roots? Of course it does.

And that is precisely why I have tried to keep the emotion buried so deep for so long. But as I sit before my computer screen, trying to sum up my time in Africa, I have decided I cannot lie to you, the reader. After three years traveling around this continent as a reporter for The Washington Post, I've become cynical, jaded.

I have covered the famine and civil war in Somalia; I've seen a cholera epidemic in Zaire (hence the trucks dumping the bodies into pits); I've interviewed evil "warlords." I've encountered machete-wielding Hutu mass murderers; I've talked to a guy in a wig and a shower cap, smoking a joint and holding an AK-47, on a bridge just outside Monrovia, Liberia. I've seen some cities in rubble because they had been bombed, and some cities in rubble because corrupt leaders had let them rot and decay.

I've seen monumental greed and corruption, brutality, tyranny and evil.

I've also seen heroism, honor and dignity, particularly in the stories of small people, anonymous people.

In Zaire, I talked to an opposition leader whose son had just been doused with gasoline and burned to death, a message from dictator Mobutu Sese Seko's henchmen. In the Rift Valley of central Kenya, I met the Reverend Festus Okonye, an elderly African priest with the Dutch Reformed Church who endured terrible racism under the Afrikaner settlers there, and who taught me something about the meaning of tolerance, forgiveness, dignity and restraint.

But even with all the good I've found here, my perceptions have been hopelessly skewed by the bad. My tour in Africa coincided with two of the world's worst tragedies, Somalia and Rwanda. I've had friends and colleagues killed, beaten to death by



A Rwandan refugee and her dead father, victims of Africa's violence.

mobs, shot and left to bleed to death on a Mogadishu street.

Now, after three years, I'm beaten down and tired. And I'm no longer even going to pretend to block that feeling from my mind.

I empathize with Africa's pain. I recoil in horror at the mindless waste of human life and human potential. I salute the gallantry and dignity and sheer perseverance of the Africans. But most of all, I feel secretly glad that my ancestor made it out because, now, I am not one of them.

I cannot even bring myself to write "African Americans." Is that what we really are? Is there anything African left in the descendants of those original slaves who made that long journey over? Are white Americans whose ancestors came here as long ago as the slaves did "English Americans" or "Dutch Americans"?

Somewhere along the line, I decided to become a journalist.

I had studied African politics in school, even written a graduate school thesis on the problem of single-party states in Africa. I considered myself a wide-eyed realist, not given to any romantic notions about the place.

I KNEW that Africa was a continent with much poverty and despair. But what would it be like, really like, to see it as a black person, knowing my ancestors came from there? What if I found myself frightened or, worse, disgusted or repulsed?

"Where are you from?" the Zairian immigration officer asked suspiciously in French, fingering through the pages of my U.S. passport.

"I think you are a Zairian," he said. "You look like a Zairian."

"I'm not a Zairian," I said in French. I was tired, it was late, I had just spent the day in the Rwandan border town of Cyangugu, just across from Bukavu in Zaire. And all I wanted to do was to get back to my room at the Hotel Residence. "Look," I said, "that's an American passport. I'm an American."

"What about your father? Was he Zairian?" The immigration man was not convinced.

"My parents, my grandparents, everybody was American," I said, trying not to shout. "Maybe, 400 years ago, there was a Zairian somewhere, but I can assure you, I'm American."

"You have the face of a Zairian," he said, calling over his colleague so they could try to assess which tribe, which region of Zaire, I might spring from.

Finally, I thought of one thing to convince him. "O.K.," I said. "Suppose I was a Zairian. And suppose I

did manage to get myself a fake American passport. I could see his eyes light up at the thought. "So, I'm a Zairian with a fake American passport. Tell me, why on earth would I be trying to sneak back into Zaire?"

He pondered this for a moment, then concluded: "You are right. You are American-black American."

And so it went around Africa. I was constantly met with raised eyebrows and suspicious upon explaining that I really was an American.

Being able to pass for an African had some advantages. In Somalia, for example, when anti-Americanism was flaring as U.S. Cobra helicopters were bombing militia strongholds of General Mohammed Farrah Aidid, I was able to venture into some of the most dangerous neighborhoods without attracting undue attention.

I would simply don a pair of sunglasses and ride in the back seat of my beat-up white Toyota, with my Somali driver and AK-47-toting bodyguard up front. My biggest worry was getting caught in the cross hairs of some U.S. Army marksman or helicopter gunner who would only see what I suppose, we were: three African-looking men riding around Mogadishu in a car with an automatic weapon sticking out one of the windows.

But mostly, I concluded, being black in Somalia was a disadvantage. This came home to me late in 1993. I was one of the reporters at the first public rally that General Aidid had held since coming out of four months of hiding. The arrest order on him had been lifted, and the Clinton administration had called off the humiliating and futile manhunt that had earlier left 18 U.S. soldiers dead in a single encounter. The mood at the rally was, predictably, euphoric.

I was among a group of reporters standing on the stage awaiting General Aidid's arrival. Suddenly, one of the Somali gunmen guarding the stage raced up to me and shoved me hard in the chest, forcing me down on my back. I looked up, stunned, into his wild eyes. He seemed to be pulling his AK-47 off his shoulder to take aim at me. He was shouting in Somali, and I couldn't understand him.

Finally, one of General Aidid's aides, whom I recognized, helped me to my feet. "I apologize," he said, as others hustled my attacker away. "You look like a Somali. He thought you were someone else."

Many months later I found out it wasn't only black Americans who felt the way I did. That was when I ran across Sam Msibi, a black South Afri-

can cameraman for Britain-based Worldwide Television News. I was stuck in Gikongoro, in southwestern Rwanda, and I needed a ride back to Bukavu in Zaire. Mr. Msibi was driving that way and gave me a lift.

Since joining WTN, he had covered the worst of South Africa's township wars. Mr. Msibi knew better than I what it was like to be a black journalist amid Africa's violence; he had been shot five times, in Tokoza township. "It's a problem in Africa," he said. "When you're black, you have to worry about black-on-black violence."

Are you black first, or a journalist first?

The question succinctly sums up the dilemma facing almost every black journalist working for the "mainstream" (read: white) press. Are you supposed to report and write accurately, and critically, about what you see and hear? Or are you supposed to be pushing some kind of black agenda, protecting black American leaders from tough scrutiny, treating black people and black issues in a different way?

ANY OF those questions were at the heart of the debate stirred up a decade ago by my Post colleague, Milton Coleman, when he reported remarks of the Reverend Jesse L. Jackson referring to Jews as "Fleemite." Mr. Coleman was accused of using material that was off the record; more troubling, he was accused of betraying his race. For being a hard-nosed journalist, he suffered the wrath of much of the black community.

I have had to deal with many of the same questions over the years. And I try to explain that journalists only do their job and should expose wrongdoing no matter if the wrongdoer is black or white.

It was an argument that couldn't be won and that trailed after me as a black reporter covering black Africa. Was I supposed to travel around looking for the "good news" stories, or was I supposed to find the kind of compelling, hard-hitting stories that I would look for in any other place in the world? Was I supposed to be an apologist for corrupt, ruthless, undemocratic, illegitimate black regimes?

Apparently so, if you subscribe to the kind of Pan-Africanism that permeates much of black American thinking. Pan-Africanism, as I see it, prescribes a kind of code of political correctness in dealing with Africa, an attitude that says black America should bury its head in the sand to all that is wrong in Africa, and play up the worn-out demons of colonialism, slavery and Western exploitation of minerals.

I have seen black Americans coming to the land of their ancestors with a kind of touchy-feely sentimentality straight out of "Roots." The problem is, it flies in the face of a cold reality.

LAST MARCH, in the Sudanese capital of Khartoum, I ran into a large group of black Americans who were also staying at the Khartoum Hilton. They were there on some kind of a fact-finding trip, and being given VIP treatment by the Sudanese regime.

The U.S. ambassador in Khartoum had the group over to his house, and the next day, the government-controlled newspaper ran a front-page story on how the group berated the ambassador over U.S. policy toward Sudan. Apparently, some members of the group told the ambassador that it was unfair to label the Khartoum regime as a sponsor of terrorists and one of the world's most violent, repressive governments. After all, they said, they themselves had been granted nothing but courtesy, and they had found the dusty streets of the capital safer than most crime-ridden American cities.

I was nearly shaking with rage. Human Rights Watch/Africa, hardly a water carrier for U.S. policy, had recently labeled Khartoum's human rights record as "abysmal," and reported that "all forms of political opposition remain banned both legally and through systematic terror."

And here were these black Americans heaping praise on an unsavory clique of ruling thugs. I wanted to confront them, but instead I deliberately avoided them.

I went back to my room at the Hilton, turned on CNN and learned that my Italian journalist friend, Maria Alpi, and her cameraman had been slain in a shoot-out in Mogadishu.

Do I sound cynical? Maybe I am. Maybe that's because, unlike some of the African American tourists who have come out here on a two-week visit to the land of their roots, I've lived here.

New Talks on Global Warming
Progress Seems Unlikely at Berlin Meeting

BERLIN — Some 160 countries are to gather Tuesday for a UN conference to find ways to stop the warming of the Earth's atmosphere and stave off what many scientists say is a looming climatic catastrophe.

But even before the \$16 million event begins, wrangling over the cost of action and how to share the load between rich and poor countries mean the chance of progress is slim.

The 11-day event, called the First Conference of Parties to the United Nations Framework Convention on Climate Change, brings together the states that pledged at the 1992 "Earth Summit" in Rio to tackle the problem of global warming.

At that meeting, industrial states vowed to cut their emissions of so-called greenhouse gases to 1990 levels by the year 2000.

The chief aim of the Berlin conference is to review progress toward that end and try to set goals into the next century and include commitments from developing countries.

"A successful conclusion will be no easy task

in view of countries' different national interests and economic positions," said Foreign Minister Klaus Kinkel of Germany.

"But we have no alternative, because environmental destruction and climate change know no borders," he said. "We can together ensure this planet continues to be worth living on, or individually help to make it uninhabitable."

Industrialized countries concede that they are not meeting the targets set in Rio. The United States is 30 percent behind schedule. The European Union expects to lag by up to 8 percent.

In view of this, Germany, the host country, aims at least to get a mandate for concrete negotiations on what to do after the year 2000, leading up to the signing of a protocol in 1997.

Oil producers led by Saudi Arabia and Kuwait, fearful of losing revenue if fossil fuel use is reduced, have indicated they want the conference to take decisions unanimously.

Such newly industrializing countries as China, India and South Korea worry that their growth could be slowed by having to limit industrial emissions.

TRAVEL UPDATE

U.S. Airline Could Lose Certification

NEW YORK (NYT) — A small Miami-based airline that has been shut down since March 17 had been flying for years without carrying out urgent safety directives issued by the Federal Aviation Administration, the agency said, and officials have proposed revoking the line's operating certificate.

The carrier, Arrow Air, flew 18 jets, mostly on cargo flights but with some charter and scheduled service. William White, the agency's deputy director of flight standards, said that the airline was "the worst I've seen since 1979," the year he joined the agency.

Arrow Air voluntarily ceased flying on March 17 when it became obvious that the agency was about to shut it down. It has 15 days to file a response.

The airline Ansett Australia has increased its flights to Hong Kong to five a week from three.

The new flights, beginning this week, will leave Sydney on Wednesdays and Sundays, adding to the current Tuesday, Friday and Saturday departures. Ansett said.

This Week's Holidays

Ranking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Burma.
TUESDAY: Serbia.

WEDNESDAY: Central African Republic, Madagascar, Taiwan.

THURSDAY: Nepal.

FRIDAY: Malta.

SATURDAY: Burma, Cyprus, Oman.

Sources: J.P. Morgan, Reuters.

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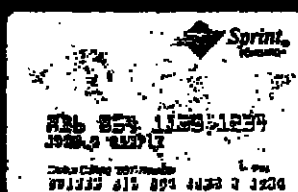
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Antigua (toll phone)	1-800-360-4563	Denmark	800-4-0877	Italy	02-5877	Poland	0048-22-111
Argentina	001-800-777-1111	Dominican Republic	1-800-731-7877	Jamaica	1-800-677-8000	Portugal	00351-21-111
Australia	8-10-135	Ecuador	171	Japan	0066-55-577	Philippines (NCR)	0063-2-111
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THE AMERICAS

POLITICAL NOTES

Retirement? Most Americans Have Grown to Fear It

By Louis Uchitelle
New York Times Service

NEW YORK — Americans are scared. They are looking toward retirement not with the optimism of their parents, but with fear.

Three out of four working Americans expect people their age to face a financial crisis when they retire, according to a New York Times/CBS News poll. More than half say they have not begun to save for retirement.

And many see themselves reaching old age without the company-paid pensions and Social Security that allowed their parents to live comfortably.

The new economics of retirement are forcing Americans who want to build a retirement nest egg to wade into the confusing world of stocks, bonds and mutual funds. They know they must become smart investors to pay for old age.

But the poll, and interviews later with some of those surveyed, showed they are largely unprepared psychologically and financially. Even the well-off, as they go through life enjoying its comforts, are nagged by concern that their well-being will disappear when they retire.

"We have two beautiful cars and a lovely home and our kids get guitar lessons and dancing lessons and much more than we did," said Donna Cuevas, 39, whose husband, Hiram, a doctor in Tampa, Florida, earned \$140,000 last year. "But we have saved only \$30,000 and it is all in bank accounts, not invested for retirement."

The disappearing world of prosperous old age had company pensions and Social Security as its pillars. Nearly nonexistent before World War II, they mushroomed and flourished until the mid-1980s, then began a slow decline, as cost cutting became a national obsession.

People older than 50 are still largely protected by the old system. But for everyone else, it is slipping away. And their growing realization of just how unprepared they are is beginning to show up in opinion polls.

Bracing themselves, 20 percent of working Americans have postponed planned retirements, the poll found. Forty percent of those with savings — a chief requirement of the new system — say they started saving too late to adequately support themselves in old age.

And while company pensions and Social Security are in decline, 53 percent of the working

population cling to them anyway as major sources of the income they hope to have when they stop working, the poll showed.

"Lurking in many of our minds is the idea that somehow the government will take care of us, if we can't take care of ourselves," said Alan Auerbach, an economist and tax specialist at the University of California at Berkeley. "They see retired people doing O.K., and they say 'I'll be that way too.' But they won't."

The change is especially hard on middle-income people earning \$30,000 to \$100,000, said Diane Colasanto, president of Princeton Survey Research Associates. More than others, they still count on company-paid pensions and Social Security for the bulk of their retirement income, she said.

Most Americans earn less than \$30,000 a year. And perhaps because they are already tight for money, those lower-income earners see themselves as less likely than middle-income people to be forced to reduce their living standards even further in retirement, the poll found.

Many young Americans are indeed beginning to set up retirement accounts, lured by the tax breaks the accounts offer. Many companies en-

courage the process, while freezing the amounts that the pension plans will pay retirees in the future.

But few people actively manage their new savings. Three-quarters of those who do have investments "rarely" buy or sell their stocks or shift savings from one mutual fund to another, the poll found — although rapid compounding of one's savings is essential to generate enough income for retirement.

As a result, these accounts earn less than company pension funds managed by professionals. About 17 million Americans have retirement savings accounts, up from 11 million in 1985. The most popular is a 401(k) plan that exempts a portion of salary from taxes.

Nearly 30 percent of working Americans with savings have such accounts, according to the poll, which was conducted March 9 to 12 and had a margin of sampling error of 3 percentage points.

But the median 401(k) account holds only \$5,000, the Pension Rights Center said. That is laughably below the \$1 million that experts say one should save to generate \$50,000 a year in retirement income.

Clinton Criticizes Welfare Bill
And Gingrich Concedes Need for NegotiationsBy Robert Pear
New York Times Service

WASHINGTON — President Bill Clinton has denounced major elements of the welfare bill approved by the House of Representatives, and the speaker, Newt Gingrich, has acknowledged that he would have to negotiate with Mr. Clinton on the legislation.

The bill, which would make the most profound changes in welfare programs since the New Deal, also faces serious obstacles in the Senate. Senator Daniel Patrick Moynihan of New York, the senior Democrat on the Finance Committee, denounced the measure as "draconian."

Still, Republican senators appear ready to accept the House proposal to establish block grants to the states in place of the main cash welfare program. The program, Aid to Families With Dependent Children, is now an entitlement for anyone who meets the eligibility criteria set by federal and state laws.

In his weekly radio address on Saturday, Mr. Clinton declared: "The House bill would actually make it harder for many people to get off and stay off welfare. And the bill doesn't really do anything to promote work. Indeed, it removes any real responsibility for states to help people gain the training

and skills they need to get and keep jobs. It even cuts child care for working people struggling to hold down jobs and stay off welfare."

Mr. Clinton did not threaten a veto, however. Administration officials said there was no point in making such a threat because they assumed the bill would be substantially modified in the Senate.

In any event, they added, Mr. Clinton wants to be able to ful-

'The House bill would actually make it harder for many people to get off and stay off welfare.'

President Clinton.

fill his 1992 campaign promise to "end welfare as we know it" and to "scrap the current welfare system."

Mr. Gingrich acknowledged that the president would have a say, even though Republicans control both houses of Congress.

"I think we're going to have to negotiate with President Clinton on welfare reform," Mr. Gingrich said in a television interview. But he added that he believed Mr. Clinton, as

a former governor, "knows that it's going to be a good thing to have 50 experiments."

"Frankly, as he said himself, no political figure in America has spent more time on welfare than President Clinton," Mr. Gingrich said. "I just believe, when he thinks about the lives that are being destroyed in the current system, he is going to want to give those governors, who he used to serve with, a chance to see if they can't do a lot better job."

Mr. Gingrich predicted that the Senate bill would differ in many details but would be "broadly the same" as the House bill.

The House bill would give the states control of social welfare programs serving more than 40 million Americans. It would cut projected federal spending by \$69 billion in the next five years. That represents 6 percent to 11 percent of the programs' cost, depending on how the calculation is made.

The Senate Finance Committee, which is responsible for most welfare legislation, is holding hearings on the issue. A Senate Democratic aide said the committee probably would start from scratch rather than beginning with the House bill.

The House bill "has no momentum in the Senate," said the aide.

Senators and their aides said that the Senate was likely to require the states to continue spending their own money as a condition of getting federal aid. The House bill includes no requirement for such state spending.

Senator Patrick J. Leahy of Vermont, the senior Democrat on the Agriculture Committee, has threatened to wage a filibuster if necessary to stop legislation transferring child-nutrition programs to the states.

Through 20 years on the committee, Mr. Leahy said, anti-hunger programs have been "my primary responsibility and concern."

In an interview Saturday, Senator John H. Chafee, a moderate Republican from Rhode Island, said that the "block-grant" concept is accepted by Republicans on the Finance Committee "as it applies to the main cash-assistance program, Aid to Families With Dependent Children."



WHEN IN ISLAMABAD — Hillary Rodham Clinton and her daughter, Chelsea, in scarves required for a visit to Faisal Mosque in Islamabad, Pakistan. Mrs. Clinton, on a 10-day South Asia tour, also met Prime Minister Benazir Bhutto. Article, Page 6.

U.S. Pressing for Release of 2 Americans

Compiled by Our Staff From Dispatches

WASHINGTON — The White House on Sunday promised to be "very firm" in seeking the release of two American citizens who strayed into Iraq, but sidestepped a Republican presidential candidate's suggestion to consider military action.

The White House chief of staff, Leon E. Panetta, said Sunday that the United States would continue diplomatic efforts to free the two Americans, David Daliberti and William Barloon, who were sentenced Saturday to eight years in prison after being convicted of illegally entering Iraq.

"There is no justification for the sentences that were imposed on these two," Mr. Panetta said on the NBC News program

"Meet the Press." "These were innocent mistakes that were involved here. We have made a very firm request that they be released immediately."

Senator Richard G. Lugar of Indiana, running for the Republican presidential nomination on his foreign-affairs experience, said he would consider military action.

"We have to indicate that we are considering full diplomatic possibilities and military options," Mr. Lugar said Sunday. "We ought to do so publicly, firmly and quickly."

Mr. Panetta responded: "I'm not going to comment on what the president does or does not consider with regards to that area. All I can tell you is that we've made very clear there's no

justification here" for the detention.

Administration officials privately expressed concern that Mr. Lugar's comments could hinder U.S. efforts to keep the diplomatic talks low key, believing that Iraq is seeking a high-profile forum to ease United Nations sanctions.

Mr. Lugar, who is chairman of the Senate Foreign Relations Committee, did not expressly call for military action. But he said if he were president, "I would be asking what are the military options. Not that I'm planning to use them today, but I want to know what they are."

The jail terms for the two aircraft maintenance specialists were imposed after a one-day trial in Baghdad.

The two Americans had been working under U.S. maintenance contracts with Kuwait's Air Force. They reportedly lost their way on a trip to visit friends in the UN observer mission along the demilitarized Kuwait-Iraqi border and entered the southern Iraqi town of Umm Qasr.

The last American imprisoned in Iraq for an illegal border crossing, Kenneth Beatty, an oilman, received an eight-year sentence in January 1993 but was released 205 days later. American officials pointed to the Beatty case as a reason to expect that Mr. Barloon and Mr. Daliberti may be freed much sooner than their sentences suggest. (AP, WP)

Disney Deal
For a Prince

Reuters

LONDON — Prince Charles has agreed to a deal with the Walt Disney studios to market a video of a cartoon called "The Legend of Lochnagar," which he wrote 25 years ago, according to the Sunday Times.

The London weekly said the heir to the throne and the Hollywood company negotiated the deal, which could bring the prince more than a £1 million (\$1.6 million), said November in Los Angeles. Profits from the Disney deal will go to The Prince's Trust, a young people's charity founded by Charles.

Iraq Rejects New Plan
On Limited Oil Sales

Reuters

BAGHDAD — Iraq on Sunday rejected a new proposal by the United States and Britain that would allow it to sell oil to meet humanitarian needs.

Deputy Prime Minister Tariq Aziz, in a statement carried by the Iraqi press agency INA, said that the plan would give Iraq less money than a proposal made in 1991, which it rejected, and that it calls for a permanent separation of Kurdish regions in the north of the country from Baghdad's control.

"The new American project is nothing but a maneuver to mislead world public opinion and prolong sanctions," said Mr. Aziz, who has spearheaded Iraqi diplomatic efforts to lift the sanctions imposed by the United Nations after Iraq invaded Kuwait in 1990.

"What will practically remain for Iraq will be seven dollars to provide food and medicine for each Iraqi every month," he said.

The resolution will be submitted to the UN Security Council by Argentina, on behalf of the United States and Britain. It is not yet known when it might come to a vote.

The Iraqi economy has been crippled by the sanctions and millions of its citizens rely on

humanitarian relief. Oil accounted for more than 90 percent of Baghdad's exports before the sanctions.

The United States, and to a lesser extent Britain, have led efforts to keep the sanctions, arguing that Iraq has not done enough to justify lifting them. But other Western states that fought Iraq in the Gulf War are showing signs of dissent.

On Sunday, Mr. Aziz repeated Iraq's official line, saying the country had complied with all UN resolutions related to weapons, which was enough to allow it to start pumping its huge crude oil reserves onto world markets unconditionally.

Under the new resolution, \$2 billion worth of oil could be sold in the first 180 days, instead of the \$1.6 billion proposed earlier, and the plan could be renewed for 180 days if all went well.

A U.S. official at the United Nations said Friday that for each \$1 billion in oil sold, \$300 million would go to a UN Gulf War reparations fund and \$200 million to UN agencies that provide relief to Kurds and others in northern Iraq.

That would leave Baghdad with a possible \$1 billion over six months for relief purchases, instead of \$900 million of \$1.6 billion under the previous plan.



BIGGER THAN LIFE — A production worker carrying a giant Oscar during preparations for the 67th annual Academy Awards on Monday night in Los Angeles.

AMERICAN
TOPICSThe Long Afterlife
Of Hollywood Clichés

"Life is like a box of chocolates. You never know what you're going to get," the golfer Nick Faldo said earlier this month after winning the Doral-Ryder Open and \$270,000, echoing the eponymous hero of the film "Forrest Gump."

"Better face it," writes Bruce Weber in The New York Times. "Another all-purpose cliché has been spawned, and it is spreading uncontrollably."

So it is with Arnold Schwarzenegger's "Hasta la vista, Baby," and Clint Eastwood's ironic "Go ahead, make my day."

People who were not even alive in 1967, the year "Cool Hand Luke" was released, are apt to sum up any common misunderstanding with: "What we have here is a failure to communicate." (It wasn't Paul Newman who said it, but Strother Martin, playing the sadistic chain-gang boss.)

annoyances cause people to exclaim, "I'm mad as hell and I'm not going to take it any more." ("Network.")

The undisputed titleholder for clichés, of course, is "Casablanca" (1942), which spawned, among others, "Here's looking at you, kid," "Round up the usual suspects," "I was misinformed," "You'll have to do the thinking for both of us," and — a line that occurs nowhere in the film — "Play it again, Sam."

Short Takes

The peeling white bark of a common birch tree may contain a weapon against the deadly skin cancer melanoma. A substance found in birch bark shrinks human melanoma tumors in mice, virtually eradicating some cancers, according to researchers at the Chicago branch of the University of Illinois. They said it worked better than the drug most commonly used in people to treat melanoma. The compound, betulinic acid, caused no apparent side effects in the mice. Testing on humans may begin in a year or so. Researchers cautioned that nobody knows yet whether the substance will help melanoma patients.

Speaking of trees, the Japanese cherry trees are once again beginning to bloom in

Washington around the Tidal Basin, the Jefferson Memorial and the Mall — about 3,000 trees in all. The trees date to 1912, a gift from the mayor of Tokyo to President and Mrs. William Howard Taft. About 200 of the original trees survive.

Federal agents were ready to stage a drug raid on a public housing complex in Washington when somebody noticed that the news was already out — in broadcast reports based on an announcement by the city housing authority. "We would like to state that this error of timing in no way diminishes our commitment to law enforcement agencies to eliminate gangs and other criminal activity at public housing developments," a public housing spokeswoman said.

Tony Low, a New York Times reader, tells in the "Metropolitan Diary" column of standing in line at a supermarket checkout counter whose cashier wore a forbidding scowl.

"Finally a woman in front of me asked the cashier if she ever bothered to acknowledge customers or at least thank them for shopping at the store."

The cashier's reply: "I don't have to say 'Thank you.' It already says that on your receipt."

International Herald Tribune.

Gingrich Dilemma for Ethics Panel

WASHINGTON — Newt Gingrich, the House speaker, faces a critical turn this week in the ethics inquiry into his conduct when a congressional panel considers whether to continue its investigation or bring in an independent investigator to take over the politically charged case.

The decision could have profound implications for the Georgia Republican. Naming an outside counsel — a procedure congressional ethics committees have used to ensure impartiality in high-profile cases — could set in motion a potentially far-reaching and expensive inquiry.

Not naming one, however, could leave the House ethics committee and particularly its chairwoman, appointed by Mr. Gingrich, open to complaints of favoritism or of ducking a tough decision. The committee has had preliminary discussions about the timing of hiring an outside consultant and, on Tuesday, it will begin deliberations in earnest on whether to retain one, congressional sources said.

For his part, Mr. Gingrich has dismissed the complaints as politically inspired mudslinging by embittered Democrats. Since September, four ethics complaints have been filed against him, including one that accuses him of trading on his official position by allowing a bidding war that resulted in a \$4.5 million book contract with a publishing house whose owner has interests before Congress. (WP)

Making Weapons Cheaper to Buy

WASHINGTON — After months of disagreeing on just about everything, the Clinton administration and Republican leaders have found something to work together on: making U.S.-made weapons cheaper for foreign countries to buy. This week, in a rare move for the bitterly partisan 104th Congress, Republicans will introduce a bill written by the administration to repeal a tax on U.S. weapons sold to foreign countries. To the dismay of arms-control advocates, the administration and the Republicans agree that the move would enhance national security, create jobs and give U.S. arms makers — which already supply 70 percent of the world's weapons — a needed edge over competitors.

The levy was originally imposed to recover government research subsidies to U.S. arms manufacturers. (WP)

Ex-Reagan Aide Runs for President

SAN DIEGO — Alan Keyes, a radio talk show host and onetime foreign affairs aide to President Ronald Reagan, entered Republican presidential race Sunday.

The 44-year-old host of "America's Wake-Up Call" on WCBM in Owings Mills, Maryland, announced his candidacy at the convention of the California Republican Assembly, a coalition of more than 100 conservative clubs in California.

Mr. Keyes, who was a State Department policy planner and ambassador to the United Nations Economic and Social Council, said he would make abortion the No. 1 issue of his campaign. He accused two other Republican presidential hopefuls — Senator Phil Gramm of Texas and the commentator Patrick Buchanan — of "putting it on the back burner."

In a fiery speech to 300 Republican activists, Mr. Keyes outlined a staunchly conservative pro-family, pro-church, anti-tax platform attacking what he described as "this phony doctrine of separation of church and state."

"We don't have the right to separate church and state. We must respect the authority from God," he said. (AP)

Quote/Unquote

Conrad DeVine, 21, on the revelation that a paid CIA informant was apparently responsible for his father's death in 1990 in Guatemala: "I've always wanted to get to the bottom of his death. I've wanted peace. Now that I read that the CIA is somehow involved, I'm really confused." (LAT)

New Hours for Simpson Trial

Los Angeles Times Service

LOS ANGELES — After less than two weeks of shortened court hours in the O. J. Simpson double-murder trial, Judge Lance A. Ito has decided to go back to a full schedule on most days because sequestered jurors had too much idle time.

"We're not getting enough hours in with the jury," said Deirdre Robertson, Judge Ito's clerk, in explaining the latest schedule change. "We're just trying to get in a little more jury time."

Under the previous schedule, which lawyers in the case had requested because of their heavy work schedules, court ended at 3 P.M. Monday through Thursday, and at noon on Fridays.

Away From Politics

• Three men were killed and a fourth was wounded in a shootout on a tense Seneca Indian reservation in western New York, where rival factions for the tribal leadership have clashed repeatedly in recent weeks, officials of the Seneca tribe and Erie County said. (NYT)

• A 127-foot fishing boat suspected of carrying 95 illegal immigrants was being held off the coast of San Diego, a U.S. Coast Guard spokesman said. (AP)

• A New York City couple has been found battered to death in the woods of the Poconos Mountains near Tobyhanna, Pennsylvania. Lowell Engel, 68, and his wife, Susan, 50, probably died several weeks before they were found, the Monroe County coroner said. (AP)

• A judge spared a triple killer the death penalty, citing mitigating circumstances that included the trauma of resorting to cannibalism while escaping from Vietnam. Trahn Trung Le, 28, was sentenced to nine life terms for stabbing to death the wife and two children of his former employer, a shrimperman, also from Vietnam. (AP)

New
Telephone
Number
for the IHT
in Paris:
(1) 41 43 93 00

Herald Tribune

ASIA

Tokyo Police Widen Probe of Sect to Include Murder

The Associated Press

OSAKA, Japan — The Tokyo police department said formally Sunday that it was now investigating whether to pursue murder charges against the sect suspected of a subway gas attack. It originally had said it was investigating the sect for kidnapping.

It was the most explicit link the authorities have made so far between the religious sect Aum Shinrikyo, or "Supreme Truth," and the March 20 attack, in which they said the nerve gas sarin was released in several subway cars during rush hour.

On Sunday morning, about 150 officers of the Tokyo Metropolitan Police staged a new raid on the sect's main compound in Kamikushiki,

about 100 kilometers (60 miles) southwest of Tokyo, said a police spokesman, Hiroshi Tanaka.

This time they were armed with a warrant to investigate murder, Mr. Tanaka said. The authorities have said they were investigating the subway attack as a carefully coordinated mass-murder plot.

Until Sunday, the raids on property belonging to the sect were conducted on the pretext that the police were looking into two separate kidnapping cases.

On Saturday, the police reportedly linked chemical residue found outside a cult compound last year to traces of nerve gas found in the Tokyo subway after the attack that killed 10 people and injured 5,500.

The residue the police found in soil samples nine months ago, Japanese news reports said, also matched that discovered after the mysterious deaths last year of seven people in Matsumoto, in central Japan. The nerve gas sarin has been blamed in both cases.

No one has claimed responsibility for either attack. Aum Shinrikyo has denied it was involved.

On Saturday, police officers also seized hundreds more barrels of chemicals that could be used to produce the nerve gas.

Two weeks after the deaths in Matsumoto, the police took soil samples near the group's compound in Kamikushiki, at the foot of Mount Fuji, after neighbors had complained of noxious

fumes. No arrests were made after the sarin samples were found.

The sect offered no response to the police announcement and telephone calls to its offices were not answered.

The sect's leader, Shoko Asahara, has asserted that he and about 350 of his followers have been sickened by sarin gas attacks launched by the U.S. military.

"I say this because the substance was detected from the air after more than 10 U.S. military planes flew over," he said in a videotaped statement to his followers, obtained Saturday by The Associated Press. "Therefore, our enemy would be none other than the U.S. military, if we wanted to fight."

For Sect Leader, a Long Obsession With Money and Power

By Nicholas D. Kristof and Sheryl WuDunn
New York Times Service

TOKYO — As a boy attending a school for the blind, Shoko Asahara was weak-sighted but had better vision than his classmates. So he emerged as a king of the school, the one who would lead his buddies off campus when they wanted a restaurant meal.

In exchange, they would pick up his bill. Mr. Asahara, now 40, has come a long way since then: He rides in a Rolls-Royce instead of on a bicycle, and he has built a multinational religious sect, a business empire worth tens of millions of dollars and a stockpile of chemicals sufficient to create enough nerve gas to kill perhaps millions of people.

Yet that image of the teenage Shoko Asahara as the manipulative guru of a boarding school, where he is the one people must depend on, where he interprets the surrounding world, where he makes the money, seems to hold true today.

By some accounts, the communes of Mr. Asahara's religious sect, Aum Shinrikyo, are attempts to recreate the culture of his childhood school for the blind.

International concern about terrorism has traditionally focused on political groups with machine guns, plastic explosives and the backing of a parish government. But Mr. Asahara shows that it is also possible for a bizarre religious figure with no governmental support to acquire in a few years the capability to engage in something closer to war than terrorism.

Japanese newspapers have estimated that Aum's chemical stockpile could create enough nerve gas to kill 4 million to 10 million people.

There is no evidence that this was Mr. Asahara's intention. But by some estimates he could have created 50 tons of the nerve gas sarin from his chemical stockpile and then achieved the kind of urban Armageddon that he has been predicting.

"As we move toward the year 2000, there will be a series of events of inexpressible ferocity and terror," reads one of Aum's booklets. "The lands of Japan will be transformed into a nuclear wasteland. Between 1996 and January 1998, America and its allies will attack Japan, and only 10 percent of the population of the major cities will survive."

Intelligent, soft-spoken, married with six children, Mr. Asahara is a far more complex figure than the cardboard image of a cult leader would suggest. He may wear a long beard, shocking pink robes and a beatific smile, but what is striking about his sect is that it is not a one-man show.

He has attracted a core of bright young university graduates and trained scientists to help him in his missions, whether those be attracting recruits or synthesizing chemicals.

Mr. Asahara denies any involvement in the subway attack



A watchman at the sect's commune in Kamikushiki, Japan, listening to tape by its leader.

last Monday in which 10 people died and 5,500 were injured. The police have not made public any evidence that he was responsible, but the police raids and discovery of chemical ingredients of nerve gas suggest that Aum is a prime suspect.

In any case, for a spiritual leader, Mr. Asahara has shown a remarkable fascination with the temporal and chemical. And his speeches have often mentioned such nerve gases as sarin, which the police say was used in the subway attack.

"It has become clear now that my first death will be caused by something like a poison gas such as sarin," Mr. Asahara said a year ago, without explaining what he meant by his "first death." At that time, almost nobody in Japan had heard of sarin.

Mr. Asahara was born with the name Chizuo Matsumoto in a village in the southern island

of Kyushu. The son of a tatami mat maker, he grew up as the sixth of seven children.

One of his older brothers had almost no vision and attended a school for the blind. His parents apparently decided to send Mr. Asahara, who had weak but adequate vision, and his younger brother, who had normal eyesight, to the same school for economic reasons: The children would receive a government subsidy and free meals.

Shoko Egawa, author of a critical biography of Mr. Asahara, suggests that he was obsessed in school with acquiring money and power. Mr. Asahara had saved 530,000 by the time he graduated from high school, and he also ran unsuccessfully for the posts of student body president in elementary, junior high and senior high schools.

Mr. Asahara did show the first signs of his later mastery of physical fitness and body control, earning a black belt in judo while still in school.

Although he spoke of attending medical school, he reportedly failed exams and never attended college. Instead, he moved to a Tokyo suburb to work as an acupuncturist. It was at this time, in 1978, that he met a college student, Tomoko Ishii, and married her.

Mr. Asahara is said to have become a senior executive in Aum Shinrikyo, and one of their children, an 11-year-old girl, is also said to be prominent in the sect. But very little is known of the family's life.

In the early 1980s, Mr. Asahara opened up a shop selling Chinese medicine. He is said to have made hundreds of thousands of dollars selling poisons like tangerine peel in alcohol, and in 1982 he was arrested and fined for selling fake drugs.

Mr. Asahara became interested in yoga, and scholars say

he became an excellent yoga practitioner, with very good control over his breathing technique. In 1984, he launched a company called Aum that ran a yoga school.

He traveled to India and Nepal to study Hinduism and Buddhism, and he came back with photos of himself with senior Tibetan lamas, including the Dalai Lama. He used these photos to portray himself as an internationally respected religious authority, and his yoga school became very successful.

In 1987, with just 10 followers, Mr. Asahara founded Aum Shinrikyo as a religious sect. It emphasized some Tibetan Buddhist teachings and yoga practices, including meditation and breathing control.

Of Japan's 185,000 religious organizations, most are Buddhist or Shinto shrines, but since the 1970s there has also been a growing number of sects like Aum Shinrikyo. Young people turned off by Japan's materialism and searching for something to believe in found a home in such groups.

In its pamphlets, Aum says that it can help people develop supernatural powers. It shows photographs of Mr. Asahara and others "levitating" in the yoga position, a few inches off the ground, but videotapes of the group indicate that this is achieved by bouncing energetically on the floor.

Aum also emphasizes the use of computers and scientific experimentation, and it offers recruits special headgear of batteries and electrodes so that they can supposedly align their brain waves with Mr. Asahara's. At each step of the way, followers are asked to donate large sums of money.

Perhaps because of the emphasis on science, Mr. Asahara was able to recruit bright but discontented university students from such top institutions as Tokyo University. Many were trained in the sciences.

"There are many sophisticated people among the members," said Yoshiro Ito, a lawyer who has represented parents trying to recover their children from the sect. "They come from elite families."

As a result, Aum is not a one-man operation. Mr. Asahara's deputies are subordinate but powerful, and there is no doubt about their intellectual prowess.

Aum's chief spokesman, for example, is Yoshinobu Aoyama, 35, a lawyer and a graduate of Kyoto University. Mr. Aoyama took yoga classes from Mr. Asahara and then in 1989 renounced his wife and daughter and became a monk in Aum.

Some scholars say that Mr. Asahara was a third-rate theologian but a first-rate salesman and expert in mind control. Summa Oda, a professor of psychopathology at the University of Tsukuba, says Mr. Asahara used methods like sensory deprivation, sleep deprivation and food deprivation, and perhaps drugs as well.

There have been persistent reports of Aum using drugs, probably primarily as hallucinogens to evoke the supernatu-

ral. Practices in Aum emphasized control over natural impulses and the body.

One man who said he was abducted into Aum, in part by his daughters, told the Asahi newspaper that he was given an infusion drip of some unknown medication for three months.

The man was allowed to leave only when he pretended that he had been converted and was prepared to turn over his money to the sect, Asahi reported.

When police raided Aum's training compound in the village of Kamikushiki last week, they found 50 people in an advanced state of malnutrition and dehydration, some barely conscious. The police arrested four doctors who were present on charges of imprisoning the others.

The malnourished followers, however, have remained in the chapel and refused medical attention.

Aum demanded that followers live in communes and cut off relations with their families, and this led to clashes and lawsuits with family members.

There have also been repeated cases in which Aum has been accused of harassing, attacking, kidnapping or even killing its opponents.

Earlier this year, according to newspaper reports, a woman trying to drop out of Aum was told she would be allowed to do so only if she signed over her property to the sect. She agreed, but her brother opposed the idea. On Feb. 28, the deadline that Aum had set for the property transfer, he was kidnapped.

The police located the van used in the kidnapping and found blood matching the brother's, as well as the fingerprint of a senior Aum member. The brother has not been found.

Mr. Asahara has denied any involvement in the kidnappings or killings.

There has been some reluctance among Japanese journalists to write about Aum, because some reporters who had done so received threatening letters.

In earlier years, Aum seemed to want to work within the system. In 1990, Mr. Asahara and many of his aides ran for Parliament, although all lost. More recently, Aum appears to have become more radical, and its theology more apocalyptic. Some people believe the reason has to do with Mr. Asahara's deteriorating health.

He is said to have a liver ailment, perhaps cancer. In public he sometimes seems tired, but he is not obviously ill. In any case, he has been complaining publicly at least since early last year that his health is failing.

Perhaps because of his declining health, he may be giving increasing control over Aum to some of his lieutenants. But some people suggest that his own illness and his confrontation with his mortality — if his ailment is that serious — have encouraged him toward a more apocalyptic vision of the future, and perhaps even toward technologies of extermination such as nerve gas.

Malaysia MiGs Nearly Ready

The Associated Press

KUALA LUMPUR — The 18 MiG-29 jet fighters Malaysia is buying from Russia will be ready for operations by the end of next month, Defense Minister Najib Abdul Razak said Sunday.

Cambodia Introduces New Currency

Agence France Press

PHNOM PENH — Cambodia's National Bank has introduced a range of coins and new high denomination notes to promote the use of the national currency, the riel, and to wean people away from the commonplace use of U.S. dollars.

"Our national currency is a national good to be valued and to be defended. We must all use it to the full," said Prince Norodom Ranariddh, co-prime minister, at a ceremony Saturday to launch the coins and notes.

The new money, minted and printed by the French, consists of 50, 100, 200 and 500 riel coins as well as notes ranging from 1,000 to 100,000, said

Thor Peng Leath, governor of the National Bank.

The 500 riel (20 U.S. cents) note was previously the biggest, forcing consumers to carry bags of bank notes to make even modest purchases. Nearly all significant transactions are carried out in dollars or, in the north and northwest of the country, in Thai baht.

Prince Ranariddh said the new currency was an expression of "national solidarity" and heralded a new era of social development. "Previously we had to resort to barter for our necessities," he said.

The National Bank asked France in early 1994 to finance the minting and printing of the new currency, said the French

ambassador, Gilles Le Lidec.

"In most countries, the introduction of new denominations is accompanied with flights of fancy, baseless fears, sometimes panic," the ambassador said. "If not handled with care, it can lead to inflation and depreciation of your money."

Many Cambodians are still suspicious of cash and prefer to keep their wealth in gold. Mistrust stems from the fact that the Khmer Rouge abolished money during their 1975-1979 reign of terror.

People saw their salaries and savings drastically eroded when the value of the riel plummeted in the run-up to the May 1993 United Nations-supervised elections.

U.S.-North Korea Talks Continue

BERLIN — The United States and North Korea ended a second day of talks on Sunday aimed at breaking a deadlock over the future of Pyongyang's nuclear program, and they planned to meet again on Monday, diplomats said.

A North Korean spokesman said that negotiations ended after more than three hours and that both sides would meet again Monday at the U.S. Mission in Eastern Berlin.

Both sides have declined comment on whether the delegations had made any progress in the negotiations scheduled to last until Wednesday. The Berlin talks stem from a landmark U.S.-North Korean accord signed last October, under which Pyongyang pledged to freeze its nuclear program and stop building plutonium-producing reactors. (Reuters)

Philippine Navy Detains Chinese

MANILA — The Philippines' Navy will turn over to police and immigration authorities 50 Chinese fishermen caught fishing in an area of the South China Sea that the government claims as its own, a navy official said on Sunday.

Soldiers from the Western Command boarded and detained four Chinese fishing boats on Saturday in the latest incident between China and the Philippines, both claimants to the Spratly Islands. A Philippine Navy patrol boat and a transport ship captured the Chinese vessels near the Arrellano shoal in the part of the Spratly Islands claimed by Manila.

The four Chinese fishing boats were expected to arrive in Uluang Bay on Palawan island, 550 kilometers (340 miles) southwest of Manila, on Monday morning. (Reuters)

2 Bangladeshi Politicians Killed

DHAKA, Bangladesh — Two leaders of Prime Minister Khaleda Zia's political party were shot and killed in northern Bangladesh over the weekend, the police said Sunday.

Unidentified assailants shot Tofazzal Hossain, secretary of a local chapter of the governing Bangladesh Nationalist Party, while he was returning to his home in Rangpur, 250 kilometers north of Dhaka. Another killing took place on Saturday at Kushtia, 125 kilometers northwest of Dhaka. The victim was Abdul Fala, a local party leader. (AP)

8 Activists Die in India Explosion

NEW DELHI — Eight members of India's governing Congress (I) Party were killed in a land mine blast in the southern state of Andhra Pradesh on Sunday, the Press Trust of India reported.

Two other party workers were wounded in the explosion that blew up the jeep in which they were traveling in the district of Anantapur. The Congress (I) Party lost power in Andhra Pradesh in state elections last September won by the regional Telugu Desam Party. (Reuters)

VOICES FROM ASIA

King Sihanouk of the Cambodian government's plan to close a human-rights office. "I hope that the royal government decides in the end to assist the Asian Center for Human Rights here, because such a presence serves the highest interests of our country, our people and our royal government itself." (AFP)

Lee Sheng Yen, director of the Taiwan central bank's economic research department: "The slower growth rates will help relieve the alarm of high inflation in Taiwan." (AFP)

Dennis Hightower, president of Walt Disney Television and Telecommunications, in Singapore to launch the company's first international broadcast center: "Starting today, signals will emanate from this spot of ground that will eventually be brought within reach of over 4 billion people throughout Asia and the Pacific." (AFP)

Ramos Is Assailed At Rites for Maid

The Associated Press

SAN PABLO CITY, Philippines — Thousands of Filipinos shouted anti-government slogans Sunday as they turned out for the funeral of a maid hanged in Singapore for murder.

In Manila, grenades exploded Saturday near the Singapore Airlines office and the Department of Foreign Affairs.

General Rogelio Pura of the police described the attacks, which caused no injuries and little damage, as a "symbolic gesture by misguided elements angry over the March 17 execution of Flor Contemplacion."

She was convicted of murdering a fellow maid and a 4-year-old Singaporean boy. Millions of Filipinos believe she was innocent, and the nation's media have transformed her into a national heroine.

"We will bury Flor today but let us not bury her into oblivion," a Roman Catholic bishop, Teodoro Bacant, said in his homily at the funeral. "Let us remember her always as a fellow Filipino. She is not just an ordinary Filipino worker but the symbol of Filipino workers."

The country's Roman Catholic bishops urged the government to pay more attention to the plight of overseas workers. "Let this be a lesson for our leaders," the bishops said in a statement. "May her death be not in vain."

Tens of thousands of people — many wearing white T-shirts proclaiming "We love you, Flor" — jammed the 8-kilome-

ter (5-mile) route as a truck carried her flag-draped coffin from her home to the cathedral in this city southeast of Manila.

When the cortege reached the cathedral, the police tried to close the massive wooden doors because the building was already jammed. The crowd surged forward and forced open the doors as police scuffled to drive them back. At least five women fainted inside the packed cathedral and had to be carried outside.

After the Mass, the crowd marched behind the coffin as mourners carried it to a cemetery. Opposition groups ranging from Marxists to former soldiers who had launched coup attempts against former President Corason C. Aquino transformed the funeral into an outpouring of hostility against President Fidel V. Ramos.

Critics say Mr. Ramos's economic policies favor the elite and have forced an estimated 2.5 million Filipinos to seek jobs abroad. Overseas workers send back about \$1 billion a year and are the nation's largest source of foreign currency.

Opposition politicians have made the maid's case an issue in the May 8 elections.

Members of Mrs. Contemplacion's family stood on a truck bed as marchers, many carrying the red banners of leftist organizations, marched alongside shouting, "Down with the U.S.-Ramos government!" and "Stop sending workers abroad!"

Q & A: The Rising Danger of Religious Terrorism

Bruce Hoffman, director of the Center for the Study of Terrorism and Political Violence at St. Andrew's University in Scotland, warned the Pentagon in a report two years ago of the growing likelihood of religious terrorism. In an interview with Barry James of the International Herald Tribune, he discussed the subject in light of the allegations that the Aum Shinrikyo religious sect was behind the nerve gas on the Tokyo subway last week.

Q. Is the suspected involvement of this sect a taste of things to come?

A. Yes. The most dangerous threat today isn't from the "professional" secular terrorists who have dominated subnational conflicts, but from cults motivated by a religious imperative. This is particularly so as we approach the millennium because these groups may feel emboldened to undertake acts of massive indiscriminate killing to hasten redemption or bring about the return of a messiah. Even if we reach 2001 without disaster, we will still not be out of the woods because the groups may then feel that they had not been violent enough.

Q. Is it a worldwide phenomenon?

A. Definitely. People have tended to look at terrorism motivated by religion as a phenomenon restricted to the Middle East and fanatical Muslims. But the same traits and legitimization of violence based on a religious imperative or theological doctrine, especially the embrace of violence as a sacramental and transcendental act, is very common among Christian white supremacists in the United States.

In 1984, they plotted to poison the water supplies of Washington and Chicago. And when the FBI raided

the World Survivalist compound in Mountain Home, Arkansas, in 1985 they found a stockpile of 30 gallons of cyanide.

At that time, we were looking at people like Abu Nidal and Carlos as the world's most infamous terrorists, yet here we had people plotting to kill the populations of entire cities.

Q. Are there common patterns to these groups?

A. Several. Their leaders invariably preface their names with priest or reverend, rabbi, mullah or ayatollah. They claim that they speak for God. They command their followers to go out and commit violence with the admonition that God wills it. Virtually all these sects say that if a follower happens to die in the commission of these acts he will immediately ascend to glorious heaven. All of these groups have a profound sense of alienation and have deliberately withdrawn from society.

Q. Can you suggest ways of dealing with the problem?

A. I think we have to find ways of counteracting their alienation. The Branch Davidian incident in Waco, Texas, was a lesson. According to the FBI, there are about 150 cults like the Branch Davidians scattered throughout the United States, and they are increasing as we get closer to the year 2000.

Q. But you cannot expect governments to turn a blind eye to criminal acts.

A. No. The only viable solution in the long term is to

have good intelligence to find out what these groups are up to. Since the fall of the Berlin wall, intelligence agencies have been looking for a mission, and with the event in Tokyo, I think they have found it.

Yet most intelligence agencies, the CIA included, don't pay much attention to this kind of thing. They rely mostly on satellites and electronic intelligence, even though the main threat right now comes from these amateur terrorists — people who don't even know that they are terrorists who are completely unpredictable and who have motivations that are incomprehensible for us.

They are dangerous, because they think in exponentially more violent terms than ordinary terrorists. They talk about killing thousands or tens of thousands and they don't mind going too, so you have to have an intelligence capability to anticipate, prevent and preempt them.

Q. In 1966, the U.S. Army distributed a relatively harmless bacteria in the New York subway system to find out how vulnerable it was to chemical or biological attack. In light of this, do you think governments saw the Tokyo attack coming?

A. I would say no. People in the West have lowered their guard. There has been a slow dismantling of counterterrorist capabilities both in the United States and the United Kingdom. Tokyo did not come as a surprise to terrorism experts. We knew it was going to happen one day. But in terms of having the resources and being prepared to deal with it, the threat is completely off the map.

BRIEFLY EUROPE

ZAKHO, Iraq — The United Nations on Sunday evacuated more than 1,000 Turkish Kurds, most of them refugee women and children, from the line of fire as Turkey pressed its anti-rebel drive in northern Iraq.

A convoy of 40 trucks and minibuses, protected by UN guards, arrived at the Atrush refugee camp from the Iraqi border town of Zakho, 100 kilometers (60 miles) to the north.

"The operation went very smoothly," a spokesman for the UN High Commissioner for Refugees said in Geneva. "The only problems we had were vehicles breaking down."

The refugees, many of whom said they had fled heavy-handed tactics by Turkish security forces fighting Kurdistan Workers Party rebels

Washington is to monitor the northern Iraq offensive for possible human rights abuses by Turkey, which is often accused of mistreating its Kurdish population.

Ankara insists they were forced over the bor-

A military spokesman said troops had taken 25 rebel mountain bases since the campaign began. Turkey said it had killed 168 rebels and lost 16 of its soldiers. The Kurdish rebels put their death toll at up to 13, with 178 Turks killed.

The Korzhakov clan's chief opponent these days is a clan centered around Yuri M. Luzh-

Alliances shift, of course. Russian banks favor protectionism when Western banks threaten to move in. Weapons factories that successfully adapt to the market no longer want a heavy-handed state. Some ex-

arguments between oil shippers, who want Western investment and markets, and steelmakers, who know their obsolete plants can never compete with the capitalist world.

"The most important thing that made Chernomyrdin an

But some reformers argue that Russia is headed in the right direction. With each month, more entrepreneurs, landowners, shareholders and

So ruling out state socialism as an option does not guarantee a liberal democracy, Russia is more likely to evolve into a kind of oligarchy of giant financial concerns, with a continuing

Czech Leader in Australia

Reuters

DARWIN, Australia — President Vaclav Havel of Czechoslovakia arrived here on Sunday for a five-day visit to Australia.

Brigitte Bardot to Join EU Protest

(Reuters)
France to Urge Labor Standards

The issue is a highly touchy one for developing countries, which fear that richer states will use differing labor conditions as an excuse for protectionism. (Reuters)

Sources: Agence Europe, AFP.

and for information on the IMD MBA, please call 41 21/618 02 98 or fax 41 21/618 07 07

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INTERNATIONAL

Hillary Clinton Opens South Asia Tour in Pakistan

By Molly Moore
Washington Post Service

ISLAMABAD, Pakistan — Hillary Rodham Clinton began a 10-day tour of South Asia on Sunday to highlight women's and children's issues in a region that boasts one of the world's worst records for the oppression and abuse of women and female children.

Mrs. Clinton's trip — with visits planned to villages, schools and an orphanage run by Mother Teresa — is designed to balance a series of visits to the region by Clinton cabinet members who focused on national security and trade issues.

White House officials say they also hope the tour through Pakistan, India, Nepal, Bangladesh and Sri Lanka will give Mrs. Clinton a respite from the political battering she has taken since the defeat of the Clinton health plan.

But in a region where the United States has some of its weakest national security, business and social links, and where anti-American sentiment is always a component of domestic political agendas, Mrs. Clinton is studiously trying to avoid any sort of controversy.

Her staff said repeatedly Sunday that she did not plan to initiate discussions about such sensitive issues as the spread of nuclear weapons or human rights. And Mrs. Clinton, in an interview before her departure from Washington, said, "I'm not about to go and try to tell anybody what to do."

It may be difficult to avoid controversy on a trip to a region where three governments are led by women who are frequently criticized by women's organizations for doing far too little to help the oppressed women of their nations.

Even so, Mrs. Clinton will have a far more substantive program than that of Jackie Kenne-

dy, who toured Pakistan and India in 1962 and who faced a local press that commented mostly on her wardrobe and her camel-riding skills.

On the first day of her first international tour without her husband, Mrs. Clinton and her daughter, Chelsea, played it safe.

In a meeting with Prime Minister Benazir Bhutto of Pakistan, she basked in the symbolism of two powerful women sharing mutual concerns; she also ate a lobster lunch with some of the most successful women politicians, artists and leaders of a nation where the repression of women is endemic, and donned a scarf and discarded her shoes to tour one of the Islamic country's largest mosques.

In remarks at lunch with Mrs. Bhutto, Mrs. Clinton said she hoped her trip to Pakistan would "reaffirm the partnership and friendship between our two countries."

That friendship has been severely strained in the last several years, with the United States'

criticism of Pakistan's nuclear program and its 1990 decision to sever all military and most social aid to a country that served as its frontline facilitator during the Soviet invasion of Afghanistan. The State Department also has strongly criticized Islamabad's failure to control drug trafficking and terrorism, at one point threatening to declare its old ally a terrorist state.

Mrs. Bhutto, who will visit the United States next month, has said she would welcome American efforts to assist Pakistan in arresting terrorists, especially in the aftermath of the shooting deaths of two U.S. Consulate employees in Karachi two weeks ago.

On Sunday, however, she stressed her kinship with Mrs. Clinton, pointing out how both have endured relentless criticism for their roles as strong women in politics.

"Women who take on tough issues and stake out new territory are often on the receiving end of ignorance," Mrs. Bhutto said.

Travelers Test Day 1 Of Borderless Europe

Control-Free Schengen Area Becomes Reality in 7 Nations

Compiled by Our Staff From Dispatches

SCHENGEN, Luxembourg — The European Union moved closer to a frontier-free federation on Sunday when seven of the 15 EU countries threw open their internal borders and travelers glided through airport arrival halls unchecked.

The first day of the so-called Schengen agreement — embracing Belgium, France, Germany, Luxembourg, the Netherlands, Portugal and Spain — went without a hitch. Airport officials and border guards said there were no lines and little confusion.

Passengers traveling between the seven countries can now leave from domestic rather than international airport terminals and will not be subject to identity checks.

Although passengers arriving from Schengen countries will not have to show passports, they will still have to show proof, in the shape of a boarding pass, that they are traveling from a Schengen territory.

While these customs unbordered, nationals from countries outside the Schengen space will have their passports checked on arrival in a Schengen country. Afterward, these travelers may move freely through other Schengen countries.

Passport checks at borders outside the Schengen countries will be tightened, meaning longer waits for travelers arriving by plane from the United States, Asia and Africa, and those entering Germany by road from Eastern Europe.

The system involves strengthened external border controls and a centralized information system to track criminals. The computer holds 10 million files and the names of 1 million people considered undesirable.

In the Luxembourg town of Schengen, where five of the seven signed the accord in 1985, about 400 people celebrated the pact.

"This is a historic day for the seven countries, but also for all the EU," the Luxembourg energy and public works minister,

Robert Goebbels, told the guests.

The accord is the most ambitious step yet from within the European Union to allow people to travel without needing to show their passports. Participants hope the pact will eventually extend to the eight other EU members.

"Schengen can be understood as a precursor to complete freedom of movement in all of Europe," Foreign Minister Klaus Kinkel of Germany said.

Italy and Greece also have signed the convention and will join when their information systems have been adapted. Austria, an observer since July 1994 and an EU member since Jan. 1, is to sign next month, but will take time to participate fully. (Reuters, AFP)

TERROR: Planes Nearly Bombed

Continued from Page 1

engineer and explosives expert. A police report released in Manila in recent days said a document found in the apartment here tied him directly to the bombing of a Philippine Airlines 747 on Dec. 11 as it flew from the Philippine city of Cebu to Tokyo. The bombing killed a Japanese passenger and wounded 10.

The report said "several entries on a seized document specifically cited" Mr. Yousef as having "personally planted the bomb on the life-vest jacket" beneath the seat of the Japanese passenger.

According to the report, Mr. Yousef, traveling under the name Amaldo Forlani, had left the bomb in the life vest during an earlier leg of the flight from Manila and had departed when the plane stopped in Cebu before it continued to Japan.

U.S. and Philippine officials had said earlier that the bombing of the Philippine plane was intended as a practice run for attacks on U.S. air carriers. Until recently, the police had refused to detail how these attacks were to have been carried out.

But according to a new report from the Philippine National Police, the computer disk found in the Manila apartment contained files showing that Mr. Yousef had directed a colleague, identified as Saeed Akman, to fly from Manila to Singapore on Jan. 20, using a false passport.

The next day, according to

the police reports, Mr. Akman was scheduled to board United Airlines Flight 2 from Singapore to Hong Kong and plant the bomb in a toilet on the upper deck of the 747 while lunch was being served.

The report said that Mr. Akman was expected to disembark in Hong Kong while the flight continued to Los Angeles. He was then supposed to return to Singapore aboard United Airlines Flight 1 and plant a bomb on that jumbo jet, just as he had aboard Flight 2.

The report said timers on the bombs were to be set so that when both Flight 1, returning from Los Angeles, and Flight 2, returning from Singapore, approached Hong Kong, they would have detonated simultaneously.

Mr. Akman was reportedly taken into custody here on Jan. 6, when the police raided the Manila apartment. But his whereabouts have not been confirmed since then. U.S. and Philippine officials have refused to comment on reports that he was taken to the United States and was cooperating with investigators in the World Trade Center bombing.

Memorial to Gypsy Victims

The Associated Press

FURSTENBERG, Germany — A monument to Gypsies killed by the Nazis was dedicated Saturday in the former Ravensbrück concentration camp, near this town in Brandenburg, north of Berlin.

Papal Encyclical to Attack a 'Culture of Death'

Reuters

VATICAN CITY — Pope John Paul II said Sunday that his new encyclical on life would defend the rights of the unborn and the handicapped and denounce a "culture of death" marked by abortion and euthanasia.

In St. Peter's Square, the Pope said that Evangelium Vitae (The Gospel of Life) would be a "meditation on life" responding to what he called disturbing

contradictions in modern society.

The 180-page encyclical will be published Thursday.

Church sources also expect it to take on embryo research and artificial conception, setting limits on what medical practices Catholicism can permit.

It also is expected to restate the Church's position that capital punishment should be used only under extremely exceptional circumstances.

The Pope said a "worrying culture of death" pervaded modern society. It was marked "above all by attacks against the life of those about to be born and that of the elderly and the terminally ill."

He added: "The legitimization of abortion and the growing demands concerning euthanasia are both signs of a defeat of the culture of life."

CULT: Did Japanese Police Botch Gas-Attack Inquiry?

Continued from Page 1

on poison gas, Kyle Olson, suggested that the Matsumoto attack might have been a rehearsal for a more serious one on Tokyo.

Questions have also been raised about the timing of the Aum Shinrikyo raids, which the police started two days after the March 20 attack on the subways.

Press reports said the police had decided by March 15 to raid the sect. The department issued gas masks and protective gear because it thought the sect might have poison gas on hand. It also reportedly held training missions for officers the day before the subway attack.

That same day, the police went to an office of Aum Shinrikyo in Osaka, searching for a man whose parents claimed had been kidnapped by the sect. The Mainichi Shimbun newspaper reported that some in the police department fear the search indicated to the sect that

the police were suspicious and led to the attack the next morning.

The police record so far on the biggest murder case here in decades has also spawned open questioning of police tactics and procedures.

Kimura Taro, a commentator for the TV-Fuji network, raised the issue on his national news show, asking whether various branches of the police had adequately shared the information they had on the sect.

The tabloid newspaper Nihon Gendai criticized the police on Saturday, saying they should have moved against Aum Shinrikyo long before the subway attack.

"Police knew the Aum cult had an enormous quantity of dangerous chemicals," the paper said. "Why didn't they launch their sweeping search earlier?"

Others have asked whether the plan to launch the raid might have been leaked to sect leaders. According to press re-

ports, a woman who was held captive by the sect at its mountainside retreat said members had told her that the police were going to raid the next morning. They did.

Some commentators suggested that the police were intimidated by the prospect of dealing with a religious group.

The difference in police approaches to the Matsumoto and Tokyo attacks may indicate how nervous the authorities can be about dealing with a religious group.

In the Matsumoto case, the police quickly signed a warrant for murder against the initial suspect, a businessman; they searched his house and questioned him at length.

But in Tokyo, where the religious sect was the main suspect from the beginning, the police brought a warrant charging kidnapping, not murder. It was only Sunday that they upgraded the charges to "preparation for murder."



A police officer checking for traces of gas around the Aum Shinrikyo compound.

ALGERIA: Major Battle

Continued from Page 1

casualties. The two newspapers reported that the rebels had brought in forces from several regions of West Algeria, some being trucked for more than 200 kilometers.

The Algerian government appeared to confirm the scale of the military operation by allowing the publication of the details. Normally, reports on security operations are banned under a censorship policy that restricts reporting on any army activities by the local press.

The military developments coincided with a further hardening of the government's position on negotiating an end to the conflict with the fundamentalists.

In yet another rejection Sunday, the government turned down an offer by King Hassan II of Morocco for a peace conference in his country to seek an end to the Algerian civil strife. The invitation was extended in an interview Saturday with Le Monde, the Paris daily.

SINGAPORE AIRLINES

ALL AROUND THE WORLD



Handwritten text in Arabic script, possibly a signature or date, located at the bottom center of the page.

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Tokyo Murder Mystery

Poison gas is a terrifying weapon. There can be few people who ride the subway in any of the world's great cities who have not thought, during the rush hour crush, of the Tokyo murders. They were obviously the work of a group of people working together, since the gas was released more or less simultaneously on at least five trains. But everything else about the incident is still wrapped in mysteries that with each revelation become more bizarre.

At the mountain retreat of the unsavory mystical sect of the Aum Supreme Truth, Japanese police have seized a huge stock of chemicals that could have been used to make gas. The sect vehemently denies any involvement in the murders and says that it uses the chemicals in a semiconductor plant that it operates. The police say only that they are investigating the sect for unrelated kidnappings and that they freed seven people in their raid.

Brace yourself for a tide of pop psychology telling you about the alleged relationships of paranoid mystical sects, poison gas and the stresses of Japanese life. But before you believe any of that, reflect for a moment that (1) the guilt of the sect is unproved, and (2) this sect also has branches in Russia and the United States. Strange though the sect's

behavior may be, it is not yet shown to be as strange as that of the Order of the Solar Temple, based in Canada, 48 of whose members died in mysterious fires last October in Switzerland. Or of the Branch Davidians, 70 of whom died in a gun battle with police and a fire at their base in Waco, Texas, two years ago. Or of many others in a melancholy record going back as far as history reaches.

Another question is whether this gruesome incident opens an era of high-tech terrorism. But the gas in this case, sarin, was invented in 1938 and is not particularly difficult to make. A better question is whether, high-tech or low-tech, a new weapon has entered the arsenal of terrorism. There may be attempts to imitate the Tokyo subway murders, but among the many instruments available to terrorists, gas is one of the most difficult to handle.

There is another oddity: Why no statement by the perpetrators about their target? Terrorism is political in nature. What is the point of terrorist killings if the purpose remains unknown?

Perhaps the killers' intentions will emerge as the investigation continues. That, as much as their identities, is the central mystery that the investigators have to resolve in this strange crime.

—THE WASHINGTON POST

British-American Strains

When Prime Minister John Major refuses for days to take a call from President Bill Clinton, divisions between Washington and London are getting serious. On Northern Ireland, on Bosnia, on banning nuclear tests, to name just a few, the disagreements have become sharp and noisy. Does this mean that the "special relationship" is over?

Clearly there is still residual affection between London and Washington, born of a common language and a camaraderie dating from World War II. But the end of the Cold War has changed what was once a fairly simple equation, much as it has altered America's relationship with the rest of its allies. The disappearance of a powerful common threat, the Soviet Union, has allowed narrower disputes to emerge and given them greater weight.

This may not be a bad thing, because both sides are free to deal honestly with their differences. In the latest rift, involving Northern Ireland, Washington clearly believes that Gerry Adams, the leader of Northern Ireland's anti-British party, Sinn Féin, offers a real chance for peace in Northern Ireland and, further, that he is a man Britain can do business with. Of

course this causes problems with London, which has demanded that the Irish Republican Army disarm before dealing with it.

It is fashionable in London to dismiss Mr. Clinton's red-carpet treatment of Mr. Adams as pandering to Irish-American voters. But Mr. Major, whose slender parliamentary majority depends on Unionist votes from Northern Ireland, has as much to gain politically by his show of pique. It is also fashionable to attribute the rift between the two men to Mr. Major's open backing of George Bush in the 1992 presidential election. But Anthony Eden and John Foster Dulles never got along, either.

There are real differences in policy between the allies. America is deeply concerned about Serbian genocide in Bosnia; Britain has dismissed that concern, sometimes patronizingly. Washington seeks a ban on nuclear tests; Britain wants to keep testing to improve its arms. Alliances are based on shared interests. There are still enough of those to assure that Washington and London will never drift far apart. But these days it is pointless to romanticize the relationship.

—THE NEW YORK TIMES

Regulating the Regulation

The United States has become an over-regulated society. It is not just the volume or even the cost of regulation that is the problem, but the haphazard pattern—a lack of proportion. The government too often seems to be battling major and minor risks, widespread and narrow, real and negligible, with equal zeal. The underlying statutes are not a coherent body of law but a kind of archaeological pile, each layer a reflection of the headlines and political impulses of its day. The excessive regulations discredit the essential. Too little attention is paid to the cost of the whole and the relation of cost to benefit.

The election results last November at least in some degree reflected resentment and impatience about this—and rightly so. The Republican-led Congress so understood and set about to fix this system, which, unlike some things that the government tries to fix, clearly is "broken." The trick is to make sure that the fix will itself be the right one, and one that will not end up killing good regulation along with bad.

The Senate Governmental Affairs Committee last week unanimously reported out a bipartisan regulatory reform bill the likely effect of which would be to improve the process rather than mangle it. It is a vast improvement over the merely anti-regulatory legislation too hastily passed several weeks ago by the House, as well as various rival bills in the Senate, including a proposal by majority leader Bob Dole. "A restoration of common sense," Senator William Cohen, a member of the governmental affairs committee, called the bill, and he is right.

The House voted both to impose a clumsy retroactive freeze on federal regulatory activity and to standardize and weaken in a single stroke the carefully worked out, separate regulatory standards in a broad array of health and safety and environmental legislation. The Senate committee bill would do neither of those things. Rather it would require cost-benefit and other studies of all new major regulations and the regulatory pro-

cess generally. Some of these are already done by executive order, others not.

With the studies as part of the basis for judgment, all major new regulations would then be submitted to Congress. The two houses together would have a set period in which to disapprove them; a resolution of disapproval would have to be signed and could be vetoed by the president. Some advocacy groups complain that this would politicize and harm the regulatory process. We think that, to the contrary, it would serve to legitimize and strengthen regulations once issued by putting them on a sounder political footing.

Congress, under the present dispensation, can have it both ways. It passes broad regulatory statutes with laudable goals—clean air, clean water, pure food and drugs—and then denounces as heavy-handed and too costly the resulting regulations. Given a legislative veto, it would have to take responsibility for the fruits of its own handwork. If some regulations were then struck down before they could take effect, it would finally be up to the voters to decide whether that was good or bad.

The bill would also require agencies to do cost-benefit analyses and risk assessments of existing major regulations over a number of years; to do comparative risk analyses in order to make sure that within their purviews they were attacking the greatest risks first; and to take part in the compilation of a "regulatory accounting" every two years, setting forth the benefits and compliance costs of regulations government-wide. The idea is to give Congress and the executive branch alike a better basis than they have now on which to make regulatory policy.

The measure would not solve all regulatory excess. But it would put the regulatory process on a steadier and more rational footing, and expose regulatory decisions to the political process early on and in a healthy way. It is a good framework, and we hope Mr. Dole and the Senate stick to something like it.

—THE WASHINGTON POST

How the Nuclear Haves Can Discourage Proliferation

By Stephen S. Rosenfeld

WASHINGTON — For those who take the text and the issue seriously, the run-up to next month's conference to extend the Nuclear Nonproliferation Treaty is forcing a hard test of the United States' own compliance with a 25-year-old agreement that American diplomacy is striving hard to get others to honor and renew. It is a test that the United States arguably is so far failing.

The Clinton administration has gone all out to persuade nuclear have-nots to extend indefinitely the treaty and with it their commitment not to go nuclear. But, although it wishes to avoid rubbing it in by saying so, the administration has not the slightest interest in moving the United States and the four other acknowledged nuclear powers to negotiate away their own bombs, as the treaty's Article 6 plainly requires.

"Each of the Parties to the Treaty undertakes to pursue negotiations in good faith on effective measures relating to cessation of the nuclear arms race at an early date and to nuclear disarmament, and on a treaty on general and complete disarmament under strict and effective international control."

By holding back on Article 6, the nuclear haves are in effect trying to rewrite the

treaty. They are being directly challenged by, among others, the Third World diplomat — the Sri Lankan ambassador in Washington, Jayantha Dhanapala — who is president-designate of the treaty review conference about to open in New York.

Mr. Dhanapala starts from the position that nuclear weapons are illegitimate — uniquely threatening to "human civilization and its ecosystems." He suggests that the nuclear states seek to confer an unwarranted legitimacy on these weapons "through the questionable doctrine of nuclear deterrence."

Lamenting that Bill Clinton's post-Cold War nuclear policy review "continued ironically to postulate the use of nuclear weapons," which it did, he sees a looming paradox: While the haves claim that without permanent treaty extension there will be no incentive for further nuclear disarmament, have-nots view extension "as the death knell for nuclear disarmament."

To which James R. Schlesinger, a former defense secretary and unabashed pro-nuclear advocate who is unhindered by the administration's felt requirement

for discretion, replies in so many words: poppycock.

Where Mr. Dhanapala the disarmar suggests that deterrence is a suspect, self-serving concept that the nuclear powers designed to preserve their privilege, Mr. Schlesinger the strategist says he "cannot overstate" the importance of protecting the U.S. deterrent. Some, he says, "lose sight of this essential element in the desire to assuage the desires of others."

As for appeals to end the treaty's "discrimination" between weapons states and non-weapons states and ultimately to eliminate nuclear stockpiles, Mr. Schlesinger says: The "discrimination" between weapons and non-weapons states "is not going to be eliminated... It is in the interest of all the nations that desire stability for the United States to continue to have a deterrent sufficiently impressive to deter weapons use by other states."

It especially riles Mr. Schlesinger that much criticism of the American posture comes from the less stable regions of the world most vulnerable to nuclear spread. The resistance comes, moreover, not so much from the hostile Iran and Libya but from friendly nations habited in the Cold War to "haggling the United States in disarmament conferences."

Mr. Dhanapala's solution is a new treaty to outlaw possession of nukes by countries that already have them. Mr. Schlesinger's is tough treaty enforcement on countries that don't, but might.

In his favor for retention of American nuclear privilege and the payoff of global stability he claims for it, Mr. Schlesinger speaks for a lot of Americans, including me. Undeniably, however, some embarrassments lurk in this position.

It is not that there is "a good deal of talk," as Mr. Schlesinger puts it, about an American commitment to disarm. There is a treaty commitment — Article 6.

If the nuclear haves are going to squirm off that hook, they had better be ready to meet other legitimate and useful nonproliferation goals. These include: a prompt test ban, a fissile-material cutoff, further reductions toward a minimum deterrent, a pledge of no-first-use of nuclear weapons, a strengthening of international safeguards against proliferation and loose nukes, security assurances for non-nuclear states, and a reconciliation of export controls with a non-nuclear state's "inalienable right" under Article 6 to develop nuclear energy for peaceful purposes.

A tall order, and a necessary one.

The Washington Post

In Its Trade With Big-Yen Japan, America Is Being Played for a Fool

By Thomas L. Friedman

WASHINGTON — So I've been thinking about this yen problem and I've got an idea. The dollar keeps falling against the yen, right? It started at 360 yen to the dollar after World War II and now it's down to 88 yen to the dollar. And each time the dollar falls we Americans say, surely it can't go any further. But it does. So let's take the suspense out of this. I say we let the dollar go to zero right now. That's right. Let's make \$1 be worth no yen.

Think about it. It will solve all our problems. We won't be able to buy anything from Japan, so our \$60 billion trade deficit with Tokyo will disappear. Without that deficit, the dollar will again strengthen and be the darling of international markets.

So forget this blather from the Treasury about how we don't want the dollar to weaken further against the yen. Our battle cry should be, "Only 88 yen to go before zero!"

O.K., O.K., so it's not in the textbooks to do it that way. But Japan's behavior isn't either. I'm so tired of reading stories that say the dollar went down against the yen because of the fall of the peso, the storms in California, the earthquake in Kobe, the poison in the Tokyo subway or the fact that Japanese television canceled reruns of "I Love Lucy."

It's not so complicated. The dollar is going down against the yen today for the same two basic reasons it has been falling for years: because we buy too much from Japan and we sell it too little. Too many dollars chasing goods over there; too few yen chasing goods over here. Everything else is commentary.

We have finally started cutting back our spending and reducing the deficit. We must do more. But so must Japan, which continues to resist U.S. imports. Hey, they wouldn't even use free Tylenol we

shipped over to aid victims of the Kobe earthquake. They said it might not be right for Japanese bodies. (I'm not making this up.)

I guess it's not surprising they don't buy U.S. cars—even when the dollar becomes so cheap that a Chevy costs the same in Japan as a bicycle built for two.

We are talking about trade barriers that are deeply rooted in Japanese society. It will take more than a cheap dollar to open such a market. It's time for a new strategy.

Trade Representative Mickey Kantor got China to cave in to U.S. trade demands on textiles and intellectual property because he was empowered by the administration with a very specific list of targets and an even more specific list of punishments if Beijing did not comply.

When the United States has been equally focused with Japan, such as opening its cellular phone

market, it has been successful. But it would take decades to try to open up every Japanese industry, one at a time.

We have tried a more broad-brush approach, called the "framework" negotiations. But they have largely failed to make a dent in the trade imbalance because we were not specific enough about what we wanted—numerical increases in Japanese imports across a broad front—and what would happen if we didn't get it.

Instead we danced around the issue, getting into endless Talmudic discussions with the Japanese about what constitutes an "indicator" of more open trade.

Any time we got even close to a specific numerical demand, the Japanese shouted that we were "managing trade"—the economic equivalent of accusing someone of child molestation. So we backed off, even though we know Japan has the most managed economy in the world and the only way in is to be managed in.

We are being played for fools. Japan will change only when we use the full strategic and economic weight of the United States to make clear to Tokyo that a failure to open all its markets, with concrete results, will lead to a crisis in the U.S.-Japanese strategic relationship—not just the economic one—and to specific retaliations against Japanese exports.

We have to decide: Do we want to do Talmud or do we want to do trade? If we want to debate about trade terminology with the Japanese, we will lose. They are the world champs. If we want to get serious about deploying all our assets toward a specific market-opening arrangement with Japan, we have a chance.

But we have to be serious, and up to now we have been ambivalent. As the saying goes: How can I move forward when I don't know which way I'm facing? It's time to make up our minds. We've got 88 more yen to figure it out.

The New York Times

For Nigerians, a Voice of Confidence That Mustn't Be Silenced

By Flora Lewis

TORONTO — Word has reached here that Olusegun Obasanjo has been put under house arrest at his farm in Nigeria. It is a bad sign in a country already wracked by the destruction and despair of military dictatorship.

General Obasanjo, who became president after a military coup in 1976, pledged that he would hold elections under a new constitution and then turn power over to a civilian government. Amazingly, he did, in 1979, sparking hopes of a change of course in African politics.

The hopes were not realized. The military seized control again in 1983 and since then there has been one coup after another in Nigeria. Promised elections were held in 1994, but annulled before results were announced. The evident victor was jailed, political activity and labor unions were banned, and the independent press was shut down by an increasingly severe military dictatorship.

Now, having announced that it had crushed an attempted coup, and manifestly unable to cope with the country's steadily deteriorating economic and social disorders, the dictatorship is trying to crack down even more.

Since he left office, General Obasanjo has become a leading voice both on his continent and among world statesmen wherever there is an effort to end the recurrent bloody conflicts and promote democracy in Africa. He is not an accuser, always seeking to mediate and to reconcile in the style of a traditional African chief.

But he hides neither his anguish nor his blunt acknowledgment that what has gone wrong can no longer be attributed to the legacy of colonialism and tribalism, to the outside world's interference or to its indifference or lack of help. He has focused on leadership as the critical gap that keeps Africa down, and organized a group of educated young men from many countries in the African Leadership Forum to help each other promote the ideas and skills needed to turn the tide.

"The bald fact is that Africa is a continent in dereliction and decay," he told the forum's inaugural session in 1988. It was held at his big chicken farm an hour's drive from Lagos where he demonstrates with commercial success

that Africa can do a great deal more to feed itself and end starvation.

"We are moving backward as the rest of the world is forging ahead," he said. "In the last resort, only we ourselves know what is really amiss with us, and what is more, only we as Africans can tell it as it is to ourselves. Our destiny ultimately lies in our own hands."

The troubles, he said, "stem from human failure" to establish institutions which "make for a humane society," and the cause was "our false political start."

He travels widely, receiving international honors to encourage others to hold such views. It was just after his return from the United Nations social summit in Copenhagen earlier this month that police went to his farm. It is evident that the intent is to stifle even moderate criticism.

General Obasanjo, 58, is an imposing figure in flowing, pastel-colored robes and matching cap, a big man with a lively sense of humor and the natural poise that confers authority. As he celebrated "freedom in South Africa," he warned last year of the "darkening night of barbarism" threatening many countries in the wake of "the senseless and shameful car-

nage in Rwanda that diminishes for us all the sense of accomplishment."

Even before his arrest, an unprecedented campaign was launched in America by the powerful black lobby TransAfrica calling for sanctions against the Nigerian dictatorship. Its leader, Randall Robinson, says, "We must isolate Nigeria politically, socially and economically, in the same way we were able to isolate South Africa and Haiti."

For too long the tyrants of black Africa have been indicted as the world targeted the racist regime in Pretoria. But it is another form of racism to treat Africa as an exception where, for reasons of history or culture or whatever, human rights and emergence from poverty are not to be expected — a kind of nature preserve where the evil of which all men are capable is to be left untamed by the will to do good of which all men are also capable.

General Obasanjo often expressed his refusal to believe that Africa, with its immense resources, was somehow congenitally unable to join the world economy and produce decent societies. He must not be silenced. His fate is a test.

© Flora Lewis

Time for America to Do Something About the Drug Lords in Burma

By Lally Weymouth

WASHINGTON — Until 1988, Washington provided counter-narcotics assistance, including military equipment, to the government of Burma. But after the 1988 coup there, a military junta, the State Law and Order Restoration Council, came to power. Widespread killings and the snuffing out of a nascent pro-democracy movement attended the coup. As a consequence, the United States ended the counter-narcotics aid program.

Now the Clinton administration is trying to decide whether counter-narcotics assistance to Burma can be resumed without compromising the administration's international commitment to human rights.

If this debate seems in any way abstract, consider this hard reality: Some 60 percent of the heroin on American streets comes from Burma. According to the 1994 State Department Report on international narcotics control, "Burma is the world's largest source of illicit opium and heroin."

At one end of the continuing interagency battle over Burma policy are human rights activists, who fear that the Burmese might divert assistance provided for the fight against drug traffickers to repression of political dissidents. The only way to cut down the large export of heroin from Burma, the human rights advocates argue, is to democratize the country. They advocate a policy of utter isolation and call for the imposition of further economic sanctions in coordination with an international coalition.

Those battling to improve Burma's human rights record say the military regime ignored the results of a 1990 election in which democratic forces led by the No-

bel Peace Prize laureate Aung San Suu Kyi triumphed. The junta has kept her under house arrest for five years, jailed her followers and crushed opposition parties.

The human rights crowd has to contend with another group in the U.S. government — people like Representative Bill Richardson of New Mexico. He and those who share his views, while disturbed by Burma's human rights violations, remain mindful of its large export of heroin to U.S. shores. Richardson and company favor engaging with the Burmese government, employing a carrot-and-stick policy.

A senior State Department official spelled out this policy during a visit to Rangoon last November. If Burma releases Aung San Suu Kyi, gives her democratic freedoms to operate, lets the Red Cross visit political prisoners and generally improves its human rights policies, Washington will consider resuming counter-narcotics cooperation and will improve diplomatic relations.

If the junta "makes advances," Mr. Richardson says, "we should respond with an ambassador and counter-narcotics training." But if Rangoon does not make progress on human rights, Washington will further downgrade its relations and ask the Burmese to withdraw their ambassador from Washington.

So far, Washington's feeler to Rangoon on this subject has been disappointing. U.S. officials say the Burmese government appears even more repressive recently.

A third group of policymakers, which carries less influence but advances a compelling argument, consists of officials whose chief

goal is to stop the flow of heroin into the United States. They tend to favor engaging with the Burmese government in order to allow it, perhaps in conjunction with Thailand and China, to take action against two insurgent groups in Burma that are responsible for most of the heroin production in Southeast Asia.

The key to the heroin problem in Burma is the Shan United Army, a quasi military drug trafficking force led by the drug lord Khun Sa, who was indicted in the United States in 1989 for large-scale heroin smuggling. The U.S. Drug Enforcement Administration calls the Shan army, which is located in the "Shan State" in northeast Burma, "one of the most prolific heroin manufacturing and distribution organizations in the world."

Khun Sa, 60, enjoys relative independence from the Burmese government. He has been a major heroin dealer since the 1970s and is protected by a private army of 15,000 to 20,000 men. The Shan army not only buys opium but also owns 10 refineries that process it into heroin.

Another insurgent group involved in drug trafficking, the United Wa State Army, produces 60 to 80 percent of Burma's opium, according to the Drug Enforcement Administration. This group "has a narcotics trafficking infrastructure to facilitate the sale and delivery of heroin to foreign buyers," it reports. Largely composed of remnants of the Burmese Communist Party, the group has an army of about 15,000 to 20,000. It, too, operates independently of the Burmese government.

Burma's human rights record is

deplorable. Yet the U.S. interest there is clear. There has been a vast increase in the world's opium production. The supply of available heroin, at all-time high purity levels, needs to be reduced. Accomplishing this task requires action against the source — namely, Khun Sa and the United Wa State Army.

Bilateral engagement with the Burmese on counter-narcotics policy is an essential first step.

Experts are skeptical, however, as to whether this approach would work. As one high-ranking official explains, the regime has signed agreements with certain ethnic groups allowing them to continue trafficking and producing heroin

in return for keeping the peace with the central government.

The Clintonites might be wise to consider an option that some Bush administration officials recommended: taking direct or covert U.S. military action — or bilateral action with the Chinese — against the Shan army and Khun Sa.

A strike against these forces in Burma would not eradicate the heroin problem, but it would send a strong signal of U.S. will. Failure to deal with Khun Sa, as one DEA official warns, means that in the future "you're stuck with dealing with" Burmese opium as it comes into other trafficking centers in Southeast or East Asia.

The Washington Post

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1895: Pescadores Taken

SHANGHAI — Despatches report that the Pescadores are in the hands of the Japanese forces. After the bombardment on Saturday [March 23], armed parties were landed from warships and attacked various forts from the rear. The Chinese had made no provision against a land attack and the positions were easily carried by assault, the whole of the forts having been captured before sundown on Sunday.

1920: Dublin Murder

LONDON — Dublin was the scene of another political murder this morning [March 26], when Mr. Allan Bell, a resident magistrate, was dragged out of a tramcar by masked men and shot. News of the crime was announced by Mr. Bonar Law in the House of Commons this after-

noon, when he was replying to a question about Alderman W. O'Brien, who is hunger-striking.

1945: Near Frankfurt

ALLIED FORWARD COMMAND POST — General Dwight D. Eisenhower today [March 26] became the first Allied Supreme Commander in history to cross the Rhine river into Germany during a war. On a surprise flight Eisenhower visited the 3d and 7th United States Corps. The most dramatic advances of the day were scored by Lieutenant General Hodges's 1st Army, which sent an armored column twenty-two miles to enter Limburg, thirty miles northwest of Frankfurt-am-Main. The outskirts of this city were reached by the tanks of Lieutenant General George S. Patton's 3d Army, which crossed the border into Bavaria in its sensational exploitation of the bridgehead east of Mainz.

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INTERNATIONAL

Under Pressure, Serbs Try Diplomacy

Leader Makes 'Last Call' for Talks, but Urges Counteroffensive

By Roger Cohen
New York Times Service

BELGRADE — For the second time in less than six months, the Muslim-led Bosnian Army has won significant victories against the Bosnian Serbs, pushing them onto the defensive and raising questions about the Serbs' long-term ability to continue the war.

In twin offensives in the last week in central and northern Bosnia, government forces have advanced several miles and have captured or surrounded two important Bosnian Serb communications towers. United Nations officials said over the weekend. Radovan Karadzic, the Bosnian Serb leader, responded by appealing for direct peace talks with the Bosnian government.

In a "message to the international community and the Muslims," Mr. Karadzic said that he was making a "last call" for "immediate direct talks on peace, with a cessation of all offensives and return of the forces to the lines of Dec. 23, 1994."

Mr. Karadzic was referring to the date of a cease-fire negotiated by former President Jim-

my Carter. That agreement was later elaborated into a four-month cessation of hostilities that took effect on Jan. 1 and finally collapsed last week.

The Bosnian Serb leader's appeal for talks came a day after he appeared in military fatigues at the site of the fighting in northern Bosnia and called for a relentless Serb counter-offensive. Even by Mr. Karadzic's volatile standards, the inconsistency suggested some disarray.

Outmanned, increasingly isolated and overstretched, the Bosnian Serbs are clearly weary of a war they started and thought would be over in a couple of months. The shifting signals from Mr. Karadzic reflect a fundamental reality: The Serbs either need peace now or a decisive battle, because a long war seems certain to favor the improving Bosnian Army.

In the absence of serious peace talks, Mr. Karadzic said, the Serbs would go for "a quick and complete victory."

The last time the Bosnian forces advanced, surging out of the northwestern Bihać area

last November, the Serbs fought back decisively, pushing the Bosnian Army back to where it had started.

Even now, analysts say they believe, the Serbs, with their superior artillery, tanks and organization, could deal crippling setbacks to the Bosnian forces, taking the eastern enclaves of Srebrenica, Zepa and Gorazde, cutting the critical supply route north from the Adriatic coast to Sarajevo and perhaps resuming the artillery bombardment of Sarajevo.

But such steps might bring the Serbs renewed problems with the United Nations and the North Atlantic Treaty Organization — Sarajevo and the eastern enclaves are supposedly areas that the United Nations is obliged to protect — and would certainly involve heavy losses for an army already short of manpower. Mr. Karadzic appears determined to find other solutions if he can.

His quest will be difficult, however. The Bosnian government immediately dismissed Mr. Karadzic's appeal. "There's

nothing to talk about unless he accepts the peace plan of the Contact Group, which is not good for us, but it's the best there is," said Ejup Ganic, the vice president of the Muslim-Croatian federation.

The so-called Contact Group, made up of the United States, Germany, France, Britain and Russia, submitted a peace proposal last July offering 51 percent of Bosnia to the government and 49 percent to the Serbs. The Serbs now hold 70 percent of Bosnia after almost three years of war.

The Bosnian offensive and the Serbian response underscore how the United Nations has been reduced to an entirely passive role in Bosnia. Under the terms of the four-month cease-fire, UN soldiers were supposed to be interposed between the two armies to prevent precisely what happened this past week. But that never happened.

If the fighting continues to worsen, the position of the United Nations could become untenable.

Hutu Flee Rampaging Tutsi in Burundi

Compiled by Our Staff From Dispatches

BUJUMBURA, Burundi — Thousands of Hutu fled villages near the capital on Sunday in a new exodus toward Zaire's frontier, the International Committee of the Red Cross said.

"Our teams reported people leaving Kamenge and Kinimana in large numbers, thousands," said Marjolaine Martin, the Red Cross's chief delegate in the capital, Bujumbura. "This is worrying."

Hutu began to leave the capital Friday, when Tutsi militiamen went on a rampage of arson and shooting that left several hundred people dead.

President Sylvestre Ntibantunganya told Radio France Info in a telephone interview Sunday. "There have been

around 150 killings at least." But witnesses said that 500 people had been killed, and that most of them were Hutu.

Many of the refugees flooded the road west of Bujumbura toward Zaire. Serious clashes have not yet broken out in Kamenge, but some fear the village could be the next Tutsi target.

The Nairobi office of the UN High Commissioner for Refugees said 15,000 people had fled into Zaire's frontier town of Uvira, and relief officials said many others were avoiding the roads and taking back routes.

The fighting between Burundi's two ethnic groups has provoked fears that the Central African country will go the same way as its northern neighbor, Rwanda.

where up to 1 million people, most of them Tutsi, were slaughtered last year.

Most of the 15,000 refugees in eastern Zaire have very little food, the UN refugee office said Sunday.

"The food situation is extremely serious," said Peter Kessler, a spokesman for the refugee office in Nairobi. "The refugees already in the country were getting only half of what they require and the new arrivals are taxing our supplies."

There were 220,000 Burundian refugees in eastern Zaire before the new arrivals. Most of them crossed into the country in a couple of hours Saturday, said Ron Redmond, a spokesman in Geneva for the UN refugee office.

(Reuters, AP)

Carter Urges Kenya Not to Expel 3 U.S. Reporters

The Associated Press

NAIROBI — Former President Jimmy Carter said Sunday that he had urged Kenya not to expel three American journalists for what the government called "outrageous lies and deliberate distortions."

Mr. Carter, who is on a nine-day tour of African countries, said he gave the advice to President Daniel arap Moi at a meet-

ing Saturday in the central Kenya town of Nakuru.

"I think there is going to be a very big blow to the human rights reputation of Kenya if these reporters are expelled," Mr. Carter said.

He said he advised Mr. Moi to have Information Minister Johnstone Makau write to the editors of The Washington Post, Newsweek and Time mag-

azines pointing out factual errors in the articles.

The three publications recently suggested that Mr. Moi was trying to divert attention from the country's problems by saying last month that Kenya was threatened by insurgents.

On Friday, Mr. Makau demanded an apology from Joshua Hammer of Newsweek. Andrew Purvis of Time and Stephen Buckley of The Wash-

ington Post, whose article also appeared in the International Herald Tribune.

Mr. Makau said the government took "particular exception to the outrageous lies and deliberate distortion of events" as portrayed in the current issues of the publications.

The minister hinted that failure by the journalists to apologize could lead to their expulsion.

As Army Advances, Bosnia Talks Tough

The Associated Press

SARAJEVO, Bosnia-Herzegovina — The Bosnian government pursued its battlefield advances on Sunday while hinting at new toughness in any future negotiations.

Government army officers in the northeastern city of Tuzla said their soldiers were regrouping for what they hoped was a final assault on a nearby mountain-top communications tower vital to the Bosnian Serbs' telecommunications, radio and television networks.

Although the Stolice tower has been virtually surrounded by Bosnian troops for several days, they have hesitated to move in because of fears the Serbs have rigged it with mines or explosives, officers said.

In Sarajevo, a senior military commander said the offensives near Tuzla and on a second front in central Bosnia were part of a broader effort to put political pressure on the Bosnian Serb leader, Radovan Karadzic, and his former patrons in Serbia.

General Mustafa Hajralovic said the government hoped its strong military showing might induce Serbia's president, Slobodan Milosevic, to shelve his plans for a "Greater Serbia" and officially recognize Bosnia.

"That act would isolate Karadzic even more," General Hajralovic said.

Kemal Mufic, an adviser to the Bosnian president, Alija Izetbegovic, also linked the military gains to Bosnia's attitude toward any future negotiations.

"There is no diplomacy without force," he said.

In recent days, combat has spread to more areas of Bosnia than at any point since a now-collapsed cease-fire took effect Jan. 1. Fighting and artillery barrages subsided somewhat Sunday after heavy activity Saturday, including Serbian shelling that killed a child in the southwestern city of Mostar and wounded 15 people in the besieged eastern enclave of Gorazde.



A British soldier of the UN enjoying a snowball fight with his comrades above relatively peaceful eastern Sarajevo.

Onoe Baiko Is Dead at 79, Celebrated Kabuki Actor

The Associated Press

TOKYO — Onoe Baiko, 79, one of Japan's greatest Kabuki actors, died Friday of complications from pneumonia.

Mr. Baiko, who had been designated a Living National Treasure by the government, performed an unusually wide range of roles in his 72-year career.

He was best known for playing noble and refined female characters in the centuries-old

dramatic art, which uses all-male casts in heavy makeup and colorful, flowing costumes. But he was also skilled at leading male roles.

Also an accomplished dancer, Mr. Baiko was designated a Living National Treasure in 1968, a title reserved for a handful of top artisans and performers.

He last performed in early November.

Tunisia Bars Activist From Leaving

Agence France-Presse

TUNIS — Moncef Marzouki, former president of the Tunisian Human Rights League, had his passport seized by the Tunisian authorities last week as he was preparing to leave for Brussels, according to

judicial sources. They said Mr. Marzouki had been at the airport in Monastir, south of Tunis, when the authorities stopped him Saturday on grounds that he was under investigation for anti-government statements.

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CAPITAL MARKETS ON MONDAY

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The 250 most active international bonds traded through the Euroclear system for the week ending March 24. Prices supplied by Telex.

230 Export Fin. Insur. 5 03/13/97 91.981 5.440

165 Austria 7 02/14/00 100.500 6.770

164 Belgium 7 04/29/99 96.550 7.100

199 Belgium 7 01/02/98 104.990 8.940

207 Belgium 7 10/15/04 107.850 7.900

231 Belgium 7 03/21/96 100.500 6.800

248 Belgium 7 04/29/04 94.990 7.330

175 Denmark FRN 6.65 06/24/98 99.790 6.660

205 SEK corporat 8 03/25/03 93.805 8.530

228 Bk of Ind 9 03/21/96 100.500 6.800

246 GECC 8 12/27/94 100.125 8.110

5 Denmark 7 12/15/94 87.650 7.990

18 Denmark 8 01/03/05 92.770 8.600

25 Denmark 8 05/15/03 94.630 8.450

26 Denmark 9 11/15/96 101.700 8.850

28 Denmark 9 11/15/96 101.700 8.850

29 Denmark 9 11/15/96 101.700 8.850

67 Denmark 7 08/15/97 97.800 7.460

75 Denmark 6 02/12/97 91.300 6.200

79 Denmark 6 12/10/99 90.300 6.100

86 Denmark 9 08/10/99 100.500 6.200

109 Denmark 9 01/15/01 91.440 8.110

110 Denmark 5 08/10/94 97.400 5.900

168 Denmark 7 10/10/94 77.100 5.380

171 Denmark 6 02/10/96 99.920 6.070

1 Deutsche Mark

1 Treasuries 7 11/25/99 101.530 6.970

2 Germany 7 01/03/05 101.390 7.270

3 Germany 7 01/03/05 101.390 7.270

4 Germany 7 01/03/05 101.390 7.270

6 Treasuries 6 07/01/99 99.310 6.420

7 Germany 6 03/20/96 102.500 6.800

9 Germany 6 07/15/94 97.030 6.900

10 Treasuries 7 09/09/04 101.925 7.360

11 Treasuries 6 04/29/99 96.550 7.100

12 Germany 112 07/15/99 100.500 6.800

14 Treasuries 5 04/29/99 97.400 5.910

15 Germany 6 09/20/01 100.500 6.800

17 Germany 6 09/20/01 100.500 6.800

18 Germany 6 01/04/24 80.877 7.650

20 Germany 6 12/20/96 102.500 6.800

31 Germany FRN 8 09/20/04 96.770 8.400

32 Germany 8 07/21/97 104.620 7.880

34 Germany 6 08/20/01 100.500 6.800

37 Germany 6 07/20/96 102.500 6.800

38 Germany 6 07/15/03 92.790 8.700

39 Germany 6 07/15/03 92.790 8.700

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42 Germany 6 05/21/01 104.630 7.940

43 Treasuries 6 03/04/04 92.913 6.660

44 Germany 6 07/20/96 102.500 6.800

46 Germany 5 10/20/96 96.530 6.400

47 Treasuries 6 05/13/04 97.850 6.940

48 Germany 7 10/20/97 102.500 6.800

49 Germany 5 02/22/99 96.550 7.100

50 Germany 8 12/20/01 107.250 8.120

51 Germany 6 02/20/96 102.500 6.800

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53 Germany 6 05/28/99 96.550 7.100

54 Treasuries 6 07/14/96 97.400 5.910

55 Germany 6 01/20/96 101.390 7.270

56 Treasuries 7 10/01/02 103.430 7.990

57 Germany 6 07/22/02 104.675 7.830

58 Germany 6 02/20/96 102.500 6.800

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61 Germany 8 02/22/96 101.100 8.400

62 Germany 6 07/22/96 102.500 6.800

64 Germany 6 05/20/96 100.500 6.800

66 Germany 6 04/22/03 92.964 6.920

68 Treasuries 6 11/14/99 95.263 6.200

69 Treasuries 6 11/12/03 92.640 6.400

71 Germany 7 12/22/97 102.500 6.800

72 Germany 5 07/22/96 97.800 7.460

74 Germany 7 10/20/97 102.500 6.800

77 Treasuries 5 12/17/96 96.420 5.400

78 Treasuries 7 01/27/03 99.817 7.140

81 Germany 6 05/22/96 102.500 6.800

82 Germany 6 05/22/96 102.500 6.800

83 Germany 7 01/20/00 102.517 7.860

85 Germany 6 08/20/96 96.530 6.400

88 Treasuries 6 06/11/03 96.150 7.000

89 Germany 6 05/14/96 102.500 6.800

91 Treasuries 6 07/09/03 96.575 6.660

92 Treasuries 6 03/26/96 99.730 6.100

101 Treasuries 7 10/20/97 102.500 6.800

102 Germany 6 05/02/03 97.160 6.970

111 Treasuries 6 04/22/03 96.820 6.700

114 Germany 7 12/20/02 99.750 7.130

115 Germany 7 10/01/04 102.400 7.500

121 Germany 6 02/24/99 101.220 7.990

124 Germany 7 10/21/02 100.917 7.180

125 Germany 8 05/22/96 102.500 6.800

126 Germany 8 07/20/99 107.543 7.900

142 Germany 6 02/20/97 104.400 7.620

143 Germany 6 05/08/99 96.704 6.940

144 Germany 6 04/14/99 96.530 6.400

157 Sweden 6 07/28/99 101.110 8.180

158 Germany 6 02/21/00 99.817 7.140

159 Credit Local 7 07/22/00 99.817 7.140

170 Treasuries 7 07/22/00 99.817 7.140

180 Germany 6 05/22/96 102.500 6.800

181 Germany 6 05/22/96 102.500 6.800

200 Beta finance 6 09/20/95 96.415 7.150

202 Sweden 6 07/17/99 101.110 8.180

203 World Bank 5 11/10/03 91.600 6.490

211 Germany 5 06/20/97 99.420 5.780

216 Germany 7 11/21/99 102.100 6.960

222 Germany 6 07/20/99 107.543 7.900

227 EIB 7 01/26/05 102.800 7.540

229 Germany 5 09/20/99 99.800 5.510

118 Portugal FRN 12 10/01/97 102.500 6.800

130 Spain 7 07/30/99 93.750 8.640

135 Spain 8 05/30/04 75.750 10.560

139 Spain 10 11/30/98 91.300 6.200

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Bond Issuers Prefer to Stay at Home

By Carl Gewirtz

International Herald Tribune

PARIS — Despite the virtual collapse in new-issue activity in recent weeks, the vigorous pace of business at the start of the year will keep the first-quarter volume of business conducted in the international capital market at a par with the subdued quarterly average recorded last year.

Preliminary data compiled by Salomon Brothers showed first-quarter volume at the equivalent of \$99.12 billion. With one week remaining in the quarter, it was clear that activity would be substantially below the \$130 billion raised in like quarter a year ago but on target to meet the \$100 million quarterly average of 1994.

Analysts said they did not expect a significant increase in the pace of business on the horizon. They reported that borrowers were deterred from issuing due to the lack of opportunity to swap into low-cost floating-rate debt and the relatively favorable conditions available in the bank loan market, where large volumes of money can be raised at a cost of only a few basis points over interbank loan rates — levels that even the floating-rate-note sector of the bond market cannot match.

In addition, demand for bonds remained impaired due to the high level of uncertainty about the future direction of currency values and interest rates. Correspondent investment has slowed dramatically, and bankers saw nothing on the horizon to lure institutional investors away from the relatively safety of their domestic markets.

Although the dollar ended the week on a

stronger note, at 88.95 yen — about a yen above the midweek record low — and at 1.4173 Deutsche marks — analysts cautioned about reading too much into a late Friday rebound.

John Lipsky, an analyst at Salomon Brothers, commented that "it would be adventurous to presume a dollar recovery is in the offing."

Neil MacKinnon at Citibank dismissed the rise as nothing more than end-quarter profit-taking with positions unwound to allow operators to book the profits earned on the dollar's 10 percent decline against the yen and the mark since the start of the year.

Noting market rumors of a rise in the U.S. interest rates at the Tuesday meeting of Federal Reserve System policymakers and a possible cut in German rates at the Thursday meeting of the Bundesbank council, Mr. MacKinnon insisted that even such moves would provide only "limited and temporary support for the dollar" since the currency's weakness was due to the budget deficit and a still-rising current-account deficit.

Analysts at Salomon Brothers and J. P. Morgan & Co. did expect the Fed to increase rates, but not until its following meeting in May. Rather than expecting the Bundesbank to allow money market rates to nudge lower by moving to a variable from a fixed-rate weekly operation, most analysts expected the German central bank to use the anti-inflationary bias of the mark's current strength to delay its first increase in rates until the end of this year or early 1996.

Reflecting the performance in the foreign-exchange market, the dollar lost con-

siderable market share in the international capital market. Data from Salomon Brothers showed \$30.8 billion of new issues accounting for 31 percent of the market, well below the 38 percent share recorded in the previous quarter.

The lira made the biggest gain, nearly doubling its market share to 6 percent, with new issues amounting to \$5.72 billion. It was doubtful, however, that Italian officials would see much to rejoice about since the internationalization of the lira primarily reflects the premium domestic investors place on buying paper from international issuers with a high credit standing, rather than Italian domestic paper.

The relatively favorable terms available to international issuers open swap possibilities that make it attractive for foreign issuers to tap the market. As a result, activity in the lira outdistanced such traditional sectors as the French franc (\$4.8 billion), the European currency unit (\$4.5 billion) and the guilder (\$4 billion).

The mark also recovered market share, accounting for 14 percent of first-quarter business with issues totaling

CYBERSCAPE

Digital Data Broadcasting
Is Latest Cyber-Retail Fad

By Steven Brill

HIROSHIMA — The information highway is the rage in Japan, with subscribers to on-line services mushrooming and book stores crisscrossed with the latest titles and magazines on how to log on and enjoy the Internet. Yet one of Japan's pioneers in cyberspace retailing is pessimistic about the near-term prospects of hawking goods via the Internet in a nation where the spread of computers remains years behind the United States and where consumers have grown accustomed to fawning service, albeit at sky-high prices.

Daichi Corp., Japan's third-largest consumer electronics

retailer, is betting that another technology, digital data broadcasting, holds more potential. Over at least the next five years, the system will not only reach more Japanese than the Internet but also enable a faster, more graphic sales presentation.

"The Internet is good for selling books, office supplies and other products that can be described in text," said Masataka Kubo, Daichi's president. "But when it comes to other products, Japanese consumers need a warmer context with pictures and sound."

Beginning next month, Daichi will begin transmitting an electronic catalog over BS-3, Japan's main broadcast satellite. In Japan, where nationwide satellite broadcasts began about a decade ago, more than 9 million households have antennas and receivers to pick up satellite television. By 2005, Daichi reckons that 20 million households, about half the total in Japan, will have satellite TV.

But receiving the catalog is more complicated than turning on the TV. Consumers will need special adapters that will allow Nintendo game machines and personal computers to store the data. The catalog can then be displayed on a television or computer screen.

Like programming a VCR, consumers also will have to make sure the data is recorded when it is broadcast over a subchannel of one of Japan's three main satellite channels.

Moreover, if bought separately, the adapter will cost 18,000 yen (\$203), although it will be standard equipment in new Nintendo game machines. Daichi said it expects millions to be sold because, in addition to the catalog, consumers will be able to receive educational materials, karaoke background tracks and previews of new Nintendo games. About two-thirds of homes that can receive satellite TV have Nintendo game players.

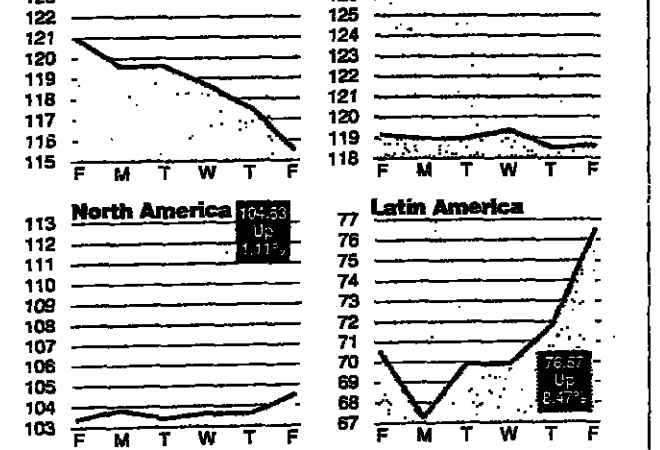
Once the catalog is downloaded, digital data broadcasting shows its merit compared with shopping over the Internet. Stored in semiconductor memory or a hard disk, the catalog will be comparable to a CD-ROM, allowing users to quickly access different pages and to explore items to differing degrees of detail. Orders can then be placed via the Internet.

By contrast, most users of the Internet in Japan can access only

THE TRIB INDEX

International Herald Tribune
World Stock Index, composed
of 280 internationally investable
stocks from 25 countries,
compiled by Bloomberg
Business News.

Week ending March 24,
daily closings.
Jan. 1992 = 100.



Index	3/24/95	3/17/95	% Change
Energy	115.52	114.68	+0.73
Utilities	114.90	112.52	+2.12
Finance	105.05	105.07	-0.02
Services	109.41	108.39	+0.94

The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, Denmark, Finland, France, Germany, Hong Kong, Italy, Japan, Korea, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, Switzerland, and Venezuela. For Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization, otherwise the ten top stocks are tracked.

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CURRENCY RATES

Currency	Per \$	Per 100	Per 100	Per 100	Per 100	Per 100	Per 100	Per 100	Per 100
Australian dollar	1.35	135.00	1.35	135.00	1.35	135.00	1.35	135.00	1.35
British pound	1.60	160.00	1.60	160.00	1.60	160.00	1.60	160.00	1.60
Canadian dollar	0.70	70.00	0.70	70.00	0.70	70.00	0.70	70.00	0.70
French franc	6.55	655.00	6.55	655.00	6.55	655.00	6.55	655.00	6.55
German mark	1.93	193.00	1.93	193.00	1.93	193.00	1.93	193.00	1.93
Japanese yen	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Swiss franc	1.48	148.00	1.48	148.00	1.48	148.00	1.48	148.00	1.48
U.S. dollar	1.00	100.00	1.00	100.00	1.00	100.00	1.00	100.00	1.00

Building Blocs: A Rising Yen Challenges the Dollar

By Kevin Murphy

HONG KONG — A yen bloc, in which the Japanese currency would at least partly replace the dollar as the unit of choice for trade and saving is forming in Asia as the region grapples with the dollar's dramatic weakening, bankers and economists said.

The trend is unlikely to threaten the dollar's dominant role in Asia in the near future unless Japan moves aggressively to hasten the process. Some economists, however, contend that Tokyo must do this.

"There is ample evidence in Asia these days that being long on the dollar can be a painful experience," said the chief investment officer of an Asian central bank. "There is not much confidence in the quality of America's political or economic leadership," said the banker, who requested anonymity. "People are nervous and shifting out of the dollar where they can."

As the yen hovers at record levels against the dollar, central bankers and companies throughout the region must re-examine links with a currency they have traditionally relied upon for financial stability and economic growth.

After the dollar's 12 percent slide since the start of the year, a dual threat of inflation and losses on massive foreign reserve holdings has sparked a reassessment of the status quo.

"We should not put all our eggs in one basket," said Zhou Shijian, vice president of Beijing's Institute of International Trade Research, in a prominent commentary in the official China Daily. "We must review the current system that pegs renminbi yuan to the U.S. dollar." China, like many other countries in Asia, has linked the value of its own currency to the dollar. But, as elsewhere in the region, it is caught between its reliance on dollar-denominated exports and an expanding trade and financial relationship with Japan.

The dollar's weakness has made the cost of Chinese products more competitive, but imports from Japan and yen debt repayments have become much more costly in recent months.

China's deputy minister for Foreign Trade Liu Shanzai, said earlier this month that the cost of repaying China's yen loans had surged from about \$10 billion to \$16.6 billion because of the decade-long deterioration of the dollar's value against the yen.

Indonesia's large foreign debt to Japanese lenders, greater than China's,

has prompted fears that the country's central bank might be forced to devalue the rupiah.

Evaluation doubts have arisen despite recent signs that Bank Indonesia has shifted reserve holdings into yen from dollars to meet increased debt repayments and despite the fact that 90 percent of Indonesia's loans have been granted on a low-rate concessionary basis by Tokyo. Earlier this month, Bank Indonesia officials were forced to convene a meeting of leading bankers to explain their actions in order to quash rumors fanned by a situation in which 90 percent of the country's revenue is denominated in dollars but 40 percent of its \$87.6 billion foreign debt is in yen.

While the rupiah has weakened against the dollar in recent weeks, other Asian currencies, notably the Singapore dollar and the Thai baht, have strengthened, an indication they have been partly delinked from the dollar, economists and currency traders say.

Recalculating the confidential formulas by which they set their individual currency values, monetary authorities have responded to the dollar's downward volatility as Asian central banks prune their dollar exposure.

"We've seen noticeable selling of dollars by three or four Asian central

banks, fundamental switches, not speculative moves, into the Deutsche mark," said Stuart Gulliver, treasury and capital markets chief for Hong Kong & Shanghai Banking Corp.

But economists warn that far-reaching changes must occur in Asian trade patterns and Tokyo's attitude toward internationalizing its own financial markets before the yen takes on a more significant role in the region.

The U.S. market has diminished in importance to Asian nations as they broaden their export bases and increase trade among themselves, but America remains significant and is a larger market than Japan.

With most global commodity prices still quoted in dollars, Japan would have to greatly open its domestic market to Asian imports to quickly prompt a need for individual Asian countries to increase their yen holdings.

Greatly increased yen borrowing in the region could also speed the trend, but few analysts expect either scenario to unfold anytime soon.

A decision by Asian countries to trade and save more in the yen would entail a choice that would require them to put their exports at a competitive disadvantage in dollar-dominated markets. Economies trying to advance be-

yond labor-intensive, low value-added manufacturing exports would not readily embrace such a move, analysts said. Nor would countries such as South Korea and Taiwan, which are now competing heavily with Japan in heavy industry, machinery, automobiles and computer hardware on a price basis.

Economic considerations aside, a deliberate, accelerated move into a currency sphere dominated by decision-making in Tokyo could not be lightly considered in countries with bitter memories of Japanese domination during World War II.

The yen's increased use as a reserve currency in Asia also faces hurdles similar to those encountered elsewhere in the world: relatively tighter liquidity in the trading of Japanese government bonds than U.S. Treasury bonds.

Yet a growing dual need by Japan to reduce its risks in investing abroad and to rejuvenate Tokyo as a leading international capital may prompt it to create some of the conditions needed to hasten the formation of a yen bloc in Asia.

"More and more people in the Japanese government have started to think about closer links with Asia," said C.H. Kwan of Nomura Research Institute in Tokyo.

Cannibalized Derivatives Look Tasty

By Sam Hansell

NEW YORK — When Salomon Brothers Inc. announced last week that it was offering to buy up to \$8.1 billion in complex and otherwise unwanted derivative securities, it might have seemed as sensible as offering to buy up spent uranium rods from nuclear reactors.

After all, there seems to be no end to the horror stories of investors who have lost money from complex bets made with derivatives. Just last Thursday, the state of Wisconsin said these newfangled financial instruments had recently cost it about \$95 million due to bad bets.

But in fact, Salomon — or any other Wall Street firm — can avail itself of relatively simple techniques to reduce the risk of the derivatives while locking in a hefty profit.

That is why half a dozen other banks and brokerage firms said they wanted to buy the same derivatives — known as structured notes — that Salomon was trying to get.

The reason they can do this is that such derivatives, while large, are not as complex as they may appear. They were created originally by combining several of the simpler actively traded derivatives

into a single package. These securities matched the market predictions of various investors, many of whom turned out to be quite wrong.

The key is that Salomon — or the successful bidder — can buy the structured notes and, in essence, take them apart and sell the pieces for more than the whole.

"Think of a structured note as a sports car," said one senior trader at a large bank. "It's risky if you drive too fast and crash it into a tree, but you can buy a sports car, take all the components out and sell them for a profit with no risk."

Despite Salomon's unusual announcement Friday, this was actually routine business on Wall Street these days. Traders are constantly buying structured notes and various bonds and using derivatives to add or subtract features to make them more palatable to investors.

For example, one of the derivatives that Salomon wants to buy is a \$300 million note issued from the U.S. Student Loan Marketing Association, known as Sallie Mae, that pays interest of 10 percent minus the London interbank offered rate, which is the interest banks pay for large one-month deposits.

Since interest rates have risen sharply in

recent months, the yield on this bond has fallen, causing its value to plunge as well.

If rates rise more, it will lose even more value.

But Salomon or any other Wall Street dealer that buys this bond is not likely to take that risk. Instead, the firm will simply buy two interest-rate swaps, which are the most common and actively traded form of derivative, and combine them with the note to make an investment that simply floats up and down with LIBOR.

There is a huge market for such conservative floating-rate investments, and Salomon would have no trouble finding a buyer for the neutralized note.

Some of the notes are more complicated. There is a \$175 million Federal Home Loan Bank issue that pays based on a formula of the prime rate charged by banks, plus 2.75 percentage points, minus the three-month LIBOR. So the owner of that would get more money if the prime rate rose faster than the London rate.

These more involved contracts may require Salomon to assemble a dozen different swaps, options or futures contracts to neutralize the risks fully. But from Wall Street's point of view, the more the merrier, because since they buy these hedges from their own derivatives departments, they make a profit on each component.

Shareholder Rift
Clouds Financing
At Philippine Air

By Sam Hansell

MANILA — A dispute among the shareholders of Philippine Airlines Inc. might derail plans to modernize the ailing flagship carrier and plunge it into heavier losses, the company said on Sunday.

Unless fresh capital is injected, the airline will not be able to finance a planned restructuring program that it hopes will bail it out of financial difficulties, management said in a published statement.

The airline's losses are estimated to reach 1.4 billion pesos (\$55.4 million) in the financial year that will end on March 31, roughly triple the loss of 451 million pesos suffered in the previous year.

Lucio Tan, the airline's chairman and largest shareholder, has proposed a capital increase of 2.5 billion pesos to help finance expansion. But minority stockholders of his holding company, which owns the majority stake in the airline, are questioning the planned capital increase.

"The brewing PR Holdings squabble is jeopardizing a liberal financing package negotiated by Philippine Airlines' new management for the acquisition of more state-of-the-art aircraft," the airline said.

PR Holdings Inc. holds 67 percent of the airline, while the remaining 33 percent belongs to the Land Bank of the Philippines and the Government Service Insurance System. Mr. Tan in turn holds a controlling stake in PR Holdings and has opposed a move by minority interests to dissolve PR Holdings and allow them to convert their equity in the consortium into shares in the airline.

The minority shareholders said they would go to the Supreme Court if necessary to force Mr. Tan to dissolve PR Holdings.

The minority interests in PR Holdings include two govern-

ment banks, a military retirement fund, a commercial bank and Antonio Cojuangco, the chief of the Philippine Long Distance Telephone Co.

The airline recently suffered a financial blow when the government ruled that the carrier could not provide ground handling and catering services for foreign airlines.

US Air Ends
Year-Long
Pilots' Feud

By Sam Hansell

NEW YORK — USAir broke a year-long deadlock with its pilots on Saturday and reached an agreement that could help the financially beleaguered airline drastically cut costs.

The sixth-largest U.S. carrier did not disclose any details of the agreement, nor did its pilots union, the Air Line Pilots Association. The airline's statement suggested, however, that the agreement included wage and work-rule concessions from the pilots in exchange for "financial returns and governance participation," most likely referring to stock in the company and representation on USAir's board of directors.

Although the agreement is tentative and conditioned on other labor groups reaching separate deals with the airline, it is nevertheless significant. USAir has been among the most chronically unprofitable U.S. airlines, having lost more than \$2.5 billion since the late 1980s.

It is trying to cut \$1 billion in annual operating costs, and wants half those savings to come from agreements with labor groups.

U.S. Orders
Banco Central Acts to Raise Cash
For Tools
Slip Again

By Sam Hansell

WASHINGTON — Orders for industrial tools declined 1.1 percent in February from January amid a slowdown in the U.S. auto industry and a drop in exports to cash-strapped Mexico, the Association of Manufacturing Technology said in a report for release on Monday.

It was the second consecutive monthly decline reported by the association. Economists monitor machine-tool orders and shipments to gauge industrial output, consumer demand and business investment.

Weak factory orders and a fall in shipping starts have suggested the economy has slowed in response to the seven Federal Reserve Board interest-rate increases in the past year.

In addition, exports to Mexico, ranging from autos to industrial equipment, dropped after the peso was devalued Dec. 20, triggering an economic crisis. U.S. railroads have reported a sharp drop in Mexico-bound freight since Jan. 1.

The auto industry, a major user of machine tools, is also reporting weakening activity. Total vehicle sales ran at the slowest annual pace in seven months in February as Ford Motor Co., General Motors Corp. and Chrysler Corp. all reported lackluster demand.

Tool manufacturers "are heavily dependent on exports and orders from the auto industry," said Astrid Adolfson, an economist at MCM Money-Week in New York.

In February, machine-tool orders decreased to \$372.8 million after declining a revised 31.9 percent, to \$377.1 million, in January. Still, compared with a year earlier, tool orders advanced 18 percent last month.

By category, orders for metal cutting tools, like drills, rose 24.7 percent in February, to \$227.1 million, while orders for metal forming tools, such as stamp press machines, decreased 25.3 percent, to \$145.70 million.

Meanwhile, machine tool shipments increased 11 percent in February, to \$325.25 million. The backlog of orders, which tracks pent-up demand for tools, rose 2.2 percent, to \$2.22 billion.

Washington Notebook

By Sam Hansell

A Game of Intrigue Over Regulatory Reform

By Sam Hansell

It looked as if everyone was moving in lockstep toward pulling the plug on thousands of federal regulations. The words "regulatory moratorium" tripped off the lips of every business lobbyist and every Republican in the U.S. House of Representatives who took it as their mandate to stop federal regulators in their tracks.

The resolve paid off. On Feb. 24, the House passed a blanket moratorium on federal regulations that would last at least until December. But as the action shifted to the U.S. Senate, it became clear that a shut-off of the federal regulatory machine was not likely.

The march now is toward passage of the Senate's proposed 45-day review of final rules. Senate Democrats made it clear that a blanket moratorium would go nowhere, but the 45-day review option placated them and made possible a bipartisan approach.

Senator Harry M. Reid, Democrat of Nevada, is cosponsoring the legislation with Senator Don Nickles, Republican of Oklahoma.

Underlying this is a philosophical divide in the business community over what elements of regulatory reform should be pushed.

Small business, which played the dominant lobbying role in the House

through a group called Project Relief, has concentrated on trying to get immediate relief from regulatory burdens. It wants a respite from filling out forms and complying with thousands of complicated rules.

Many bigger companies, which are better equipped than small businesses to handle regulation, want to change the long-term process of how regulations are created and put on the books, rather than an immediate moratorium, which they view as a short-term fix. They believe that risk-benefit analysis of new regulations, risk assessment and requiring the use of sound science are at the heart of regulatory reform.

Congressional sources said that in the days leading up to the House vote on the moratorium, business lobbyists called to defend rules that they did not want covered by a moratorium.

The reformulated gas industry, for example, did not want to see the program held up for cost and competitive reasons.

The National Association of Manufacturers, for example, and a group it formed called the Alliance for Reasonable Regulation, pushed its agenda of long-term reform in a March 9 meeting with Senators Kay Bailey Hutchison, Republican of Texas, and Christopher S. Bond, Republi-

can of Missouri, who head the Senate's regulatory relief task force.

When word of the meeting reached members of Project Relief, the immediate fear was that no form of moratorium now stood a chance. "They salted our fields and poisoned our well," said one lobbyist backing a moratorium.

The manufacturers association, for its part, said it was a "misperception" if anyone thought the group did not support a moratorium. Sources said it tried to repair the rift in a letter it sent to Senate majority leader Bob Dole on March 16, stressing that it supported a year-long moratorium and other reforms. The letter also said that "the Alliance also looks forward to continuing work with Project Relief."

A Bittersweet Birthday

Let's just say it was a good week and a bad week at the U.S. Commodity Futures Trading Commission.

On the positive side, the agency has survived 20 years of attempts to get rid of it or merge it with the bigger, more-visible Securities and Exchange Commission.

To celebrate the birthday, invitations were sent out last week for a 20th-anniversary party on May 10 at \$45 a pop (light buffet, drinks and a string quartet).

Also, the administration signaled last week that it opposed an attempt to marry the commission with the SEC. Frank N. Newman, deputy treasury secretary, said, "If it ain't broke, why fix it?"

But one thing that might need fixing is the impression that higher-ups at the commission gave a job transfer last month to Dennis Klejna, director of enforcement, after he had involvement with the Whitewater special prosecutor's investigation of commodity trading by Hillary Rodham Clinton from 1978 to 1980.

The story surfaced in Business Week magazine after Senator Lauch Faircloth, Republican of North Carolina, suggested that Mr. Klejna's transfer to head the commission's New York office was the result of White House pressure.

Mr. Faircloth asked Mary Schapiro, the commission's chairman, for extensive documentation of contacts relating to Mr. Klejna. Miss Schapiro, who said the story was "ludicrous," shot a letter off to the magazine saying: "Any suggestion that this reassignment was based on any reason other than improving the efficiency and credibility of the commission is completely unfounded and false."

Cindy Skrzycki

[illegible][illegible]

INTERNATIONAL CLASSIFIED

(Continued From Page 13)

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Discussion

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هكذا مضى الى منزل

Bramalea Is Facing The Eleventh Hour

Compiled by Our Staff From Dispatches

TORONTO — Bramalea Inc., the embattled Canadian real estate firm, has avoided immediate collapse due to a court ruling allowing it another few days to arrange emergency financing to fend off creditors.

Bramalea, which owns or manages more than 36 million square feet (3.2 million square meters) of commercial and residential real estate across North America, has until Tuesday to convince Canadian banks to lend it \$7 million Canadian dollars (\$5 million) in cash. It currently faces debts of \$3.5 billion dollars.

The money would allow the company to survive another couple of months, preventing hostile creditors from moving in for the kill.

Bramalea acknowledged last week that it faced the liquidation of many of its assets, and that its long-term survival depended upon the continued cooperation of creditors as well as the emergence of a new investor.

"We're talking to lenders about sending enough money up to run the company in an orderly liquidation," said Frank Graham, Bramalea's chief financial officer. "Out of that may come some plan of a

smaller company holding together. We don't have a plan right now."

If lenders agreed to let the company retain some assets, Bramalea could continue to function, "but it needs an investor," Mr. Graham added.

Four or five Canadian banks appear willing to provide some short-term financing, Mr. Graham said, but that would keep the company operating only until May 25 when court-ordered protection from bankruptcy is due to expire.

If a short-term deal were not worked out, Bramalea could face a motion by hostile creditors to have bankruptcy protection lifted on Wednesday, a move that would signal the imminent demise of the company.

If liquidation were ultimately necessary — either this week or in May — the company has said it would sell most of its assets to pay back its secured lenders.

"Our commitment is to liquidate the assets that have been identified and will be identified," said Marvin Marshall, Bramalea's president and chief executive, late last week when the court reprieve came through. But he declined to say which assets would be sold.

(Reuters, Bloomberg)

LeBow Seen Taking Ladenburg Stake

By Stephanie Strom

New York Times Service

NEW YORK — Bennett S. LeBow, the financier, is looking to buy at least a controlling interest in Ladenburg, Thalmann & Co., a small investment firm owned by its employees, people at the firm said.

In a series of meetings last week, Howard L. Blum Jr., chairman of Ladenburg, told employees that Mr. LeBow had made a serious offer to buy at least a majority stake in the firm, although he did not say at what price.

Mr. Blum told the employees that he expected the deal to be concluded this week, pending the resolution of issues related to contingent liabilities. Mr. Blum, who is by far the firm's largest shareholder, did not return calls to his office Friday. Jonathan Groveman, president of Ladenburg, said rumors about a change of control at the company were "not true."

Mr. LeBow has access to a pool of more than \$300 million

of cash at New Valley Corp., the former parent of Western Union. He owns a controlling stake in New Valley through the Brooke Group Ltd., a holding company in which he has a 60 percent stake. It is unclear whether he intends to use that money to buy Ladenburg.

Mr. LeBow could not be reached for comment.

Employees said they had been told that if Mr. LeBow did purchase control of Ladenburg, Mr. Blum and Mr. Groveman would continue running the firm. It appeared, however, that Groveman would end up with a more powerful position, they said.

But they did not know of any previous relationship between Mr. LeBow and Mr. Blum or Mr. Groveman. The proposed sale to Mr. LeBow was the idea of Peter M. Graham, director of corporate finance at Ladenburg, and Ronald J. Kramer, a managing director, employees said.

Although Ladenburg's roughly 350 employees are paid relatively low base salaries, they are given a generous portion of the revenues they produce.

SHORT COVER

Kuwait's Oil Workers Return to Jobs

KUWAIT (Bloomberg) — Kuwait's oil workers returned to their jobs Sunday, suspending a week-long strike that raised fears of a major disruption in the country's daily 2-million-barrel output of crude oil.

Union leaders ordered a return to work late Friday after Abdulmohsen al-Mudei, Kuwait's oil minister, promised to persuade the state-owned Kuwait Oil Company to examine demands for better pay and employment conditions. Mr. Mudei intervened to end the stoppage before leaving for South Africa to attend an oil conference scheduled for Monday.

Union representatives and the Kuwait Oil Company's management scheduled talks for Monday to try to find a solution. Mohammed al-Sarhan, chairman of the labor union, said workers would walk off their jobs again if management did not meet their demands.

IG Bau Union to Get Wage Increase

FRANKFURT (Knight-Ridder) — The German construction industry union IG Bau said Sunday that it had reached an agreement with employers for a 3.8 percent wage rise to be worked in over the 12-month period beginning April 1. The deal affects around 1.5 million construction workers in Western Germany.

The union said the deal also contained a four-phase plan to approach full Western pay levels in the Eastern German construction sector by Oct. 1, 1997. The current 90 percent level is to rise to 92 percent on Oct. 1, 1995, and to 96.5 percent on April 1, 1996. There are about 440,000 workers in Eastern Germany's construction sector. The wage agreement was announced on Saturday after over 22 hours of negotiations in Frankfurt.

The IG Bau union said it was satisfied with the deal, although it had hoped for at least a 4 percent wage rise for Western German workers. It had initially demanded a 6.5 percent pay rise in Western Germany and 100 percent parity between salary levels in Western and Eastern Germany.

Cheltenham Vote Upholds Merger

LONDON (Bloomberg) — Members of Cheltenham & Gloucester Building Society voted by almost 2 to 1 against altering the terms of the British mortgage lender's merger with Lloyds Bank PLC.

A group of disgruntled members failed to have four measures approved at a special meeting on Friday. The measures, which were given little chance of approval, were intended to extend the number of members eligible for payouts once the merger is completed.

They would have allowed mortgage holders and investors in the building society for less than two years to receive proceeds from the £1.8 billion (\$2.86 billion) merger.

"The view of our members overall will be demonstrated by their votes at the meeting on 31 March," said Andrew Longhurst, chief executive of Cheltenham & Gloucester.

World Air Traffic Rose 8% in 1994

GENEVA (Reuters) — Air passenger traffic worldwide rose by a healthy 8 percent last year to more than 2 billion passengers, according to a survey of world airports published on Monday.

The survey, from Airports Council International, showed the United States was still the undisputed world leader in air travel. Eight of the 10 busiest airports were American including the leader, Chicago's O'Hare airport, which handled 66.4 million passengers.

Officials of the council claimed the figures, which included a rise in cargo tonnage of 13 percent, provided evidence of a recovery from recession and from the lingering effects of the 1991 Gulf War.

But industry sources said the recent weakness of the U.S. dollar against the yen and Deutsche mark could threaten passenger growth this year if Americans are forced to change their travel habits.

Cambodia Launches New Currency

PHNOM PENH, Cambodia (AP) — Cambodia on Saturday began circulating new coins and banknotes, and officials hoped the new money would win acceptance abroad.

"Earlier we had to resort to barter for our necessities," Co-Premier Norodom Ranariddh said Sunday at a ceremony marking the release of the new currency. "The 1995 riel will soon be recognized and accepted by our foreign trading partners."

The old currency will continue to remain valid for a long but unspecified period.

The Week Ahead: World Economic Calendar, March 27-March 31

A schedule of the week's economic and financial events, compiled for the International Herald Tribune by Bloomberg Business News

Asia-Pacific

March 27 Canberra Australian Stock Exchange officials to meet in preliminary hearing on regulation of derivatives.

March 28 Hong Kong Bank of East Asia to hold its annual meeting.

March 29 Hong Kong Government to hold land auction for four land parcels.

March 30 Hong Kong Government to hold land auction for four land parcels.

March 31 Hong Kong Government to hold land auction for four land parcels.

March 27 Hong Kong Government to hold land auction for four land parcels.

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Americas

March 27 Los Angeles 67th annual Academy Awards.

March 28 Washington Federal Reserve's Open Market Committee meeting.

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DAIICHI: Retailer Thinks Its Technology Is Better Than the Internet

Continued from Page 11

textual information. As in the United States, the hypertextual environment of the World Wide Web is spreading. But access costs are high and on-line interactions slow.

It will also not be until early next century that the population of networked personal computers approaches the penetration of satellite TVs in Japan. Although total PC shipments jumped 35.5 percent in 1994, to 3.39 million units, penetration of PCs in the home market remains only 7.2 percent, about one-sixth the level in the United States.

PC use trails the West because the Japanese language, which is written with thousands of Chinese ideographs, is far more difficult to type. Whereas a good typist in English can pound out 60 words-per-minute, in Japanese 12 words-per-minute is considered good.

In addition, there remains a

reluctance among corporate managers to install computer networks that could diminish their privileged access to information. Costs for on-line services also are several times higher than in the United States. As a result, only about 17 percent of PCs are networked, compared with 66 percent in the United States.

Yet while the numbers may favor digital data broadcasting, critics say the convoluted process of downloading and displaying digital data is far too cumbersome for most consumers. In any event, the relatively poor showing for mail-order shopping suggests that Japanese prefer to buy goods the old-fashioned way.

"Satellite systems are bound to fail," said Hidenori Tanaka, senior manager of the digital business development department at Dentsu Inc., Japan's biggest advertising agency.

Daichi, however, is not

It is hooking up with the CompuLink Inc., the leading computer retailer in the United States, and will concentrate on selling computers, software, consumer electronics and other imports that are often twice or three times as pricey in Japan.

Mr. Kubo's confidence in digital data broadcasting stems from Daichi's experience as a pioneer in marketing over the Internet in Japan. Last April it opened one of the nation's first Internet businesses — a book-store featuring English-language books.

Tying into the Internet with a service provided by AT&T, a subsidiary of AT&T Corp., and plugging into the 300,000-title database of Stanford Publications International in California, Daichi is booking orders worth 3 million yen a month. Most of the books are medical and other technical texts.

Daichi's service is popular

take advantage of the strong yen — gains normally pocketed by Japanese stores selling English-language titles. Daichi charges U.S. rates, plus a 25 percent fee. The service is also convenient, particularly for Japanese living in smaller cities where it is difficult to find foreign-language books.

But although Daichi is planning on expanding the service — by selling Japanese-language books to overseas Japanese, for instance — it said diversifying beyond books to computers, stereos and other goods is difficult without the graphical richness of digital data broadcasting.

The company recognizes that divining the future of multimedia technology is impossible. "This is a trial for three years," Mr. Kubo said. "If it's not working, we'll pull the plug."

Internet address: CyberScap@ihb.demon.co.uk

INTERNATIONAL RECRUITMENT

CHINA-EUROPE INTERNATIONAL BUSINESS SCHOOL (CEIBS)

Shanghai, People's Republic of China

CEIBS was established on November 8, 1994 in Shanghai with the support of the European Union and the Shanghai Municipal Government. The partners in this venture are the European Foundation for Management Development (EFMD) in Brussels and the Shanghai Jiaotong University.

CEIBS aims to become a centre of excellence in management education and research for China and the East Asia region. The Business School builds on 10 years experience of the China Europe Management Institute - Beijing which has gained a nationwide reputation.

The primary objective of the Business School is developing management for China. Its main activities are project based MBA and Executive MBA programmes as well as executive development; the working and teaching language is English. The quality of the programme is approved by an Academic Council composed of representatives of major Business Schools and Universities (JSE, INSEAD, IMD, London Business School, Nijenrode, SDA Bocconi, Shanghai Jiaotong University, USW).

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- Information Technology

Applicants should hold a doctorate, have teaching experience and preferably should have worked on China related issues.

Considerations can be obtained from and applications should be addressed to:

Professor J. Frohn / Professor L. Jia Hao,
Executive President / President, CEIBS,
c/o Jiaotong University,
Minhang,
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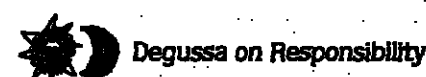
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Consolidated trading for week ended Friday, March 24.

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Continued on Page 14




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(Continued)

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Continued on Page 17



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America's Growing Ranks: Children of Divorce

By Susan Chira
New York Times Service

NEW YORK — First, Annie and Ivan married. They had two children. They divorced.

Later, Barry moved into Annie's house. Annie loved him. Her children did not. Three years passed, and he was gone.

Two years later, Annie moved her children into Lee's house. Annie loved him. Her children did not. For nearly three years, Annie and Lee and her children have circled one another warily, trying to decide whether this newest family could endure.

Annie's children, like countless across the United States, are part of an increasingly common American family — one that is formed, shattered, re-formed and shattered again following repeated divorces and breakups. These children struggle to navigate a bewildering succession of stepmothers, stepfathers and live-in relationships that have no formal name.

Researchers who follow these children say their ranks are swelling and their lives are often rocky. Studies comparing families of multiple divorce with families of single divorces have found that children with more family disruptions report higher levels of anxiety and depression, worse academic records and more troubled marriages of their own. The more breakups children experience, the studies show, the worse they fare.

"You get cumulative effects," said Lawrence A. Kurdek, a professor of psychology at Wright State University in Dayton, Ohio, and the author of one such study. "You're losing or gaining a lot more than a parent; you're changing households, schools, friends. The kids get rooted; they get uprooted."

Their overall sense of stability has got to be pretty shaky.

Half of all marriages end in divorce, and even more remarriages fall apart. Frank F. Furstenberg Jr. and Andrew J. Cherlin, two leading divorce researchers, estimate that 15 percent of all children in divorced families will see the parent they live with remarry and redive before they reach age 18.

And that figure is a conservative estimate, they say, because it does not include couples who live together instead of remarry.

Annie P. and Lee S., who now share a home on a tree-lined street in a middle-class suburb in northern New Jersey, illustrate the trends the demographers are tracking.

Like other parents with several breakups in their past, Annie and Lee have presided uneasily over their stepfamily, one haunted by old relationships and buffeted by the resentments of children who have seen past families come and go.

"We start meeting all the cousins and brothers and daughters, and it's kind of a pain," said Michelle, Annie's 18-year-old daughter, who is in her first year at college.

"You have such an extended family," she said. "I thought it was kind of embarrassing to go to events — I'm the new girlfriend's daughter. And then, let's say we do make a relationship with one of the children or something, as soon as Mom breaks up with this guy, that has to be killed."

While most children of multiple divorces are not consigned to bleak fates, the upheavals take their toll.

"I had a lot of anger building up," said David, Annie's 13-year-old son, recounting his resentment at being moved from his old town and into Lee's home.

Michelle and David are calmer now after years of emotional turmoil. They speak of their mother with deep loyalty and affection, even as they say they did not like the men she brought into their lives.

Annie, meanwhile, has struggled to balance her responsibilities to her children with her own need for companionship. She has raised Michelle and David virtually on her own, with small financial contributions and periodic visits from their father.

She has managed to get free therapy for them, agreed to a rabbi's bargain that she attend adult Jewish education classes in return for free Hebrew school for them, and forged close ties with their teachers.

"You have kids you have to be responsible for," said Annie, 43. "You have to make decisions that go beyond your own personal needs. But you also can't let them dictate whether you should be in a relationship or you shouldn't."

Larry Bumpass, a demographer at the University of Wisconsin, has assembled comprehensive data on divorce and cohabitation through a national survey of households and families he has been conducting since 1987.

He and other researchers cannot say exactly how many children experience multiple family breakups because few researchers have tracked cohabitation on a national level.

But Mr. Bumpass says he believes their numbers are swelling. Remarriages have a greater chance of breaking up than first marriages. He found that 37 percent of remarriages collapsed within 10 years, compared with 30 percent of first marriages in the same period.

Moreover, nearly one-third of U.S. children are born to unmarried mothers, and many will see their families split, re-form and split again, he said.

IMF: Fund Needs More Money, World Bank Chief Says

Continued from Page 1
SDRs (about \$55 billion worth), while developing countries blocked an alternative Anglo-American compromise that would have capped the allocation at just over \$20 billion worth of SDRs.

The Mexican crisis has put the issue of IMF resources back on the front burner, although Philippe Maystadt, the Belgian finance minister who is chairman of the monetary fund's Interim Committee, was quoted in press reports last week as saying that as a result of the IMF's SDR allocation had been dropped from the agenda of the April meeting.

Mr. Maystadt could not be reached for comment, but Mr. Camdessus, speaking in a telephone interview, said the press reports were incorrect since Mr. Maystadt had been misquoted. The IMF chief said the SDR issue would indeed be discussed at the meeting in Washington next month, but he added that "the way the issue was discussed in Madrid is no longer appropriate."

An American official said in an interview on Sunday that although opposition to Mr. Camdessus' original proposal continued, some discussion of the SDR matter was still a possibility since the agenda for the April IMF meeting "has not yet been formalized."

Mr. Camdessus, meanwhile, disclosed details of a modified proposal that he plans to put to IMF members, under which only 16 billion SDRs would actually be allocated, with these funds going to the world's poorest countries and to the 38 IMF member nations that have not yet received any SDR allocations since joining the organization.

An additional 20 billion SDRs would not be allocated but would be used to create a special, contingency fund that could be called upon in times of a Mexico-style emergency. Mr. Camdessus stressed that clear conditions would be imposed upon the recipient of such emergency funds to make sure they were properly used.

Mr. Camdessus said this idea could be part of a package that could also include either increasing the quota payments by IMF member nations in order to strengthen the organization's capital base or expanding the size of the monetary fund's General Agreement to Borrow, a \$25 billion credit line that is available to the IMF from the world's ten richest nations plus Saudi Arabia.

Aside from the forthcoming IMF meeting, the search for a solution is also being discussed by G-7 sherpas, the government officials who are preparing for the Halifax summit meeting.

Germans Thwart Neo-Nazi Rally

The Associated Press

ERFURT, Germany — The German police stepped in to thwart neo-Nazi activities Sunday by rounding up 231 skinheads from all over Germany who were headed for an extreme-right rock concert disguised as a birthday party.

Tipped off in advance, the police took most of the skinheads into custody Saturday at rail stations and on autobahns before they reached the concert hall in Triptis, a town near this eastern German city.

Officers confiscated knives, baseball bats, starter pistols and other weapons, as well as illegal neo-Nazi propaganda. Criminal charges against 51 of the skinheads are being prepared, accusing them of illegal weapons possession, possessing racist propaganda and displaying illegal Nazi paraphernalia.

CROSSWORD

ACROSS

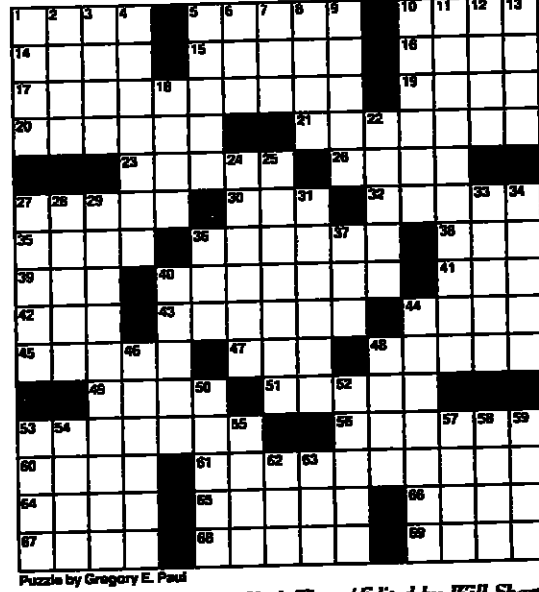
- 1 Mineral powder
- 3 Country singer
- 5 — Clayton Powell
- 14 Sills solo
- 15 Hypothesis
- 16 — "La Douce"
- 17 Musical based on "The Taming of the Shrew"
- 19 Garden starter
- 20 Book after Nehemiah
- 21 "Oh, to be in —": Browning
- 23 Inturated
- 24 City near Provo
- 27 Mrs. Merz
- 30 Parapsychology
- 32 "Whithering Heights" man
- 33 — Rabbit
- 34 Wolf for
- 35 Cartoonist
- 36 Musical based on "The Once and Future King"
- 41 Diamond stat
- 42 Wiggler
- 43 Without secrets
- 44 Knock, for one
- 45 Wiggler
- 47 Initials on a record label
- 48 "Play — for Me"
- 49 Bucks and does
- 51 Slip-up
- 53 Double — (18)
- 56 Worry-free place
- 59 Scroam
- 61 Musical based on "The Cent's", with "The"
- 64 Sandwich shop
- 65 Poetry Muse
- 66 Suffix with cell or gland
- 67 Cowboy Rogers' real last name
- 68 Politician — Alexander
- 69 Adm. Zumwalt

Solution to Puzzle of March 24

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- 11 Musical based on the Supremes
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- 13 Hwy. safety org.
- 14 Blackbird
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- 24 One that swarms
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- 26 City on the Mosel
- 28 Musical based on "The Matchmaker"
- 31 Parthenon
- 33 Up, in baseball
- 34 Save for a — day
- 36 Dangle bait on the water
- 37 Artist
- 40 Nat and Natalie
- 44 Indian dugout
- 46 Singer Uggams
- 48 Marry of the Dodgers
- 50 Drive back
- 52 Scuttiebutt
- 53 Dancer Charisse et al.
- 54 Lively dance
- 55 — ave
- 57 Gloomy shadow
- 58 Muslim leader
- 59 Flying: Prefix
- 62 Toast topper
- 63 One — time



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HARRY AND TEDDY: The Turbulent Friendship of Press Lord Henry R. Luce and His Favorite Reporter, Theodore H. White

By Thomas Griffith
340 pages. \$24. Random House.

Reviewed by Christopher Lehmann-Haupt

HENRY R. LUCE and Theodore H. White first met in Chungking, China, early in 1941, shortly after White had been assigned to rove Southeast Asia as a full-time correspondent for Luce's Time magazine.

As Thomas Griffith writes of them in "Harry and Teddy": "Superficially, they had little in common: Luce was tall, Teddy short; Luce was rich, Teddy poor; Luce was a man of letters, Teddy a man of letters; Luce was a warmhearted man, eagerly open to friendship; Luce was leery of — a loner determined never to let emotional considerations stay him from what he must do or wanted to do. He shunned familiarity, fearing its obligations."

Yet an odd friendship sprang up between these two that lasted until Luce died in 1967. And in tracing its tortuous course, Thomas Griffith, himself for many years an editor at Time and Life magazines, has given us a portrait of a journalistic era that far surpasses the mere tracking of intersecting careers. That White and Luce first met in China is appropriate.

For while that country brought them together, it also broke them apart when, after World War II, they disagreed over who held the key to China's future. With Luce supporting Generalissimo Chiang Kai-shek and his Chinese Nationalist Army, and White seeing greater promise in the Communists under Mao Zedong and Zhou Enlai in their remote caves in Yenan, the publisher and his correspondent eventually severed their formal relation. White left Time and went off on his own.

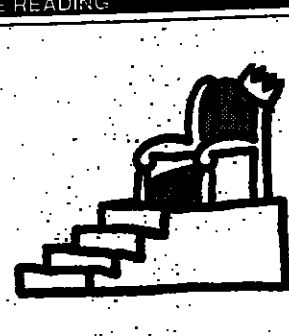
Yet if this break puts a strain on Griffith's narrative, it also supplies his book's dramatic tension. For the dispute between Luce and White over China was echoed in significant events of the postwar period: the fall of China to the Communists and the hysterical reaction it produced in America; the career of Senator Joseph R. McCarthy as a red-baiting demagogue; the rise of Whitaker Chambers as an anti-Communist editor at Time and his even-

tual denunciation of Alger Hiss for committing espionage, and the subsequent careers of Luce as an influential press lord and White as a best-selling author.

Not insignificantly, Griffith's book also reveals the author's complex feelings about working for Time magazine and Luce. In the early days, he writes, Luce was relatively fair-minded, especially compared with autocratic press lords like William Randolph Hearst and Colonel Robert R. McCormick.

As Griffith remarks, "Having despised the safe, ponderous mediocrity of most American newspapers," Luce and his partner, Britton Hadden, "had from the beginning recognized that the lively, opinionated journalism they favored meant hiring people of independent mind, unwilling to write to the boss's order."

The author emerges clearly enough from his pages as one of



those independent minds. He writes of "a resolve" that he and his wife made that "although I was making more money than I ever had before, we would never live up to the limit of that New York salary so that I would always be free to quit." Elsewhere he reveals that this independence cost a price: "I sometimes lost a step in promotions to someone more in tune with Luce's thinking; to me, the independence I valued was not a work benefit but something I expected to pay for."

Still, he writes, not until the mid-1930s, when Time grew more powerful, did Luce become imperious and "willing to jeopardize the integrity of his magazines." On two subjects in particular, "the Republican Party and the Republic of China," Time magazine "could no longer be counted on to treat each side fairly; it distorted or concealed facts favorable to the other side; by its selective use of pictures and acerbic adjectives it magnified its opposition."

If Luce and White represent the two extremes that lend this book its variety, much in the story it tells also serves to mediate between them. And in the end, the extremes were resolved. Although Luce and White never patched up their differences over China, their warm friendship never faltered.

Christopher Lehmann-Haupt is on the staff of The New York Times.

BRIDGE

By Alan Truscott

HALF a century ago the Philadelphia area had a group of outstanding players who were consistently prominent in national championships. One of them was Peggy Solomon, who died at the age of 86.

On the diagrammed deal, played three decades ago in a National Women's Pairs in Toronto, Mrs. Solomon held the West cards and led a heart against three no-trump. Her partner gave a mild signal by dropping the six under dummy's ace, and South led the club jack. Her finesse lost to the queen, and South was on the way to using the club suit and making nine tricks.

But West threw a monkey wrench into the works by shifting to the spade king, attacking South's vital link to the dummy. South took the ace, and could not find a way to make nine tricks. The best chance was to allow the spade king to win, and unblock the queen from the closed hand.

West would then have led an-

NORTH
♠ A 10 9 4 2
♥ A
♦ Q 7
♣ J 10 9 6 4

WEST
♠ K J 6 5
♥ 8 6 2
♦ 10 8 5 4
♣ Q 7

EAST
♠ 8 3
♥ K 10 8 6 4
♦ K 6 3
♣ A 8 2

SOUTH (D)
♠ Q 7
♥ Q J 7 3
♦ A J 9 2
♣ K 5 3

Both sides were vulnerable. The bidding:

South West North East
1 ♠ Pass 1 ♠ Pass
1 N.T. Pass 3 ♠ Pass
3 N.T. Pass Pass Pass

West led the heart two.



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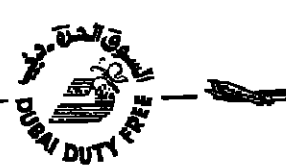
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(Series # 385 - Ticket # 0852),
Egyptian, from Dubai, UAE,
winner of a red
Porsche 911 Carrera Cabriolet.

386th Winner

DUNCAN S. FORBES
(Series # 386 - Ticket # 0765),
British, from Dhabran, Saudi
Arabia, winner of a grey
BMW 740 iL.

387th Winner

WAHEED HASSAN ABDUL KARIM
(Series # 387 - Ticket # 0851),
Emirat, from Dubai, UAE,
winner of a white
Mercedes-Benz S 500L.

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AP Photo/USA

Herald Tribune SPORTS

MONDAY, MARCH 27, 1995

PAGE 19



Formula One drivers making a turn on Sunday as the 1995 season began in São Paulo with the Brazilian Grand Prix.

Schumacher Wins '95 Prix Opener Hill, German Champion's Rival, Spins Out of Brazil Race

Compiled by Our Staff From Dispatches

SAO PAULO — Michael Schumacher, the defending world champion, won the season-opening Brazilian Grand Prix here on Sunday in a Benetton-Renault after his archrival, Damon Hill of Britain, spun out when leading just before the halfway point.

David Coulthard of Britain was second in a Williams-Renault. The Austrian veteran Gerhard Berger, whose victory in Germany last year was Ferrari's first in four years, finished third.

Hill failed to finish after spinning off with gearbox problems after 31 laps of the 71-lap race.

Schumacher triumphed two hours after having been fined for using illegal fuel before the race. His victory remained to be confirmed because the German, 26, had been warned that after using irregular fuel earlier in the weekend further fuel samples

had to be taken following the race.

Both Schumacher and Coulthard were found to have broken the strict fuel regulations during practice and qualifying. Their Benetton and Williams teams were each fined \$30,000.

Finland's Mika Hakkinen was fourth in a McLaren ahead of Jean Alesi of France in the second Ferrari. Mark Blundell of Britain was sixth in the second McLaren, a remarkable result as he was drafted to replace his compatriot Nigel Mansell only a week before the race.

Hill's hopes of winning from the fifth pole position of his career were wrecked when he spun off while leading. He said gearbox problems had been affecting him for several laps and it was a huge disappointment.

Hill lost last year's championship by just one point to Schumacher.

Schumacher, whose victory

was his 11th in 53 races, took the lead from the start but lost it during the first series of pit stops. When he pitted for the second time after Hill's retirement, Coulthard took the lead and held it for 12 laps before he stopped to refuel.

The Benetton team strategy of three pit stops to Williams's two paid off (as it had last season) when Schumacher was able to pit for the third time and retained his lead all the way to the checkered flag.

Coulthard's second place finish equaled his previous best, in Portugal last year, and signaled that after only nine Grands Prix he has the talent to emerge as a serious world title contender.

Coulthard was a test driver last season when he was picked to fill in after Ayrton Senna's death.

Schumacher's victory gives him the psychological edge going into the Argentine Grand Prix in two weeks.

Schumacher won eight races in 1994 — but was disqualified or banned from four others — sending the title race down to the wire at Adelaide.

This weekend's racing was haunted by the memory of Senna, Brazil's triple world champion, who was killed at the San Marino Grand Prix on May 1.

The only incident Sunday came when Olivier Panis of France, in his 17th Grand Prix, spun off in his Ligier.

Karl Wendlinger of Austria, in his first race since spending 19 days in a coma after crashing in practice for the Monaco Grand Prix 10 months ago, failed to finish, as did Rubens Barrichello, the promising young Brazilian who drove his Jordan Peugeot wearing a crash helmet in Senna's old colors.

A frustrated Mansell, the 1992 world champion who signed for McLaren in January, did not compete.

(Reuters, AP)

Agassi Rolls To Victory In Lipton

Compiled by Our Staff From Dispatches

KEY BISCAYNE, Florida — Andre Agassi won 19 consecutive points to seize the momentum and then defeat top-ranked Pete Sampras, 3-6, 6-2, 7-6 (7-3), on Sunday in the men's tennis final at the Lipton Championships.

In the women's final, Steffi Graf won her third title of 1995 with a businesslike 6-1, 6-4 defeat of Kimiko Date of Japan.

The victory by the second-ranked Agassi gave him a 2-1 edge this year in the rivalry with his Davis Cup teammate.

"It happened to go my way this week," he said.

With Agassi serving at 2-2, 0-40 in the second set, he won 17 consecutive points to take the second set and then won the first 2 points of the third set.

"He basically steamrolled me for three or four games," Sampras said.

The longest point in the tiebreaker proved pivotal, with Agassi finally swatting a backhand too deep for Sampras to return. That gave Agassi a 5-3 lead. Sampras, who struggled with his backhand all day, then hit one into the net and another wide to give Agassi the victory.

Sampras, 1-9 in tiebreakers this year, fell shy in a bid for his third consecutive Lipton title.

Agassi received \$330,000, and Sampras \$174,000.

Graf's victory left her six-tenths of a computer point behind top-ranked Arantxa Sanchez Vicario, and her \$205,000 winner's check nudged her career earnings beyond the \$15 million mark.

She stretched her 1995 undefeated streak to 14 matches.

"She is very strong," said Date, whose 38 unforced errors and inability to convert more than 2 of the 6 break points gained against Graf's serve conspired against an upset.

(AP, NYT)

SIDELINES

Turner Tops Rocca in Balears Open

PALMA DE MALLORCA, Spain (AP) — Greg Turner of New Zealand shot 4-under-par 68 Sunday and won the Balears Open by two strokes over Constantino Rocca of Italy, who shot 67.

Turner, who gained his third PGA European Tour victory, said, "I've led four tournaments going into the fourth round and I've won them all. I always play better if I have a chance to win."

Bernhard Langer shot 71 and was tied for the lead with Corey Pavin, who carded 72, going into the final round of The Players Championship, in Ponte Vedra, Florida. They were a stroke ahead of Lee Janzen, who putted his way to a 3-under 69 on a windy day.

For the Record

Akebono, the American yokozuna, defeated Takanohana in a Spring Grand Sumo Tournament final pitting grand champions in Osaka, Japan. Both entered the final day with 13-1 records; Akebono won his eighth title and ended Takanohana's winning streak at three tournaments.

New Zealand, the defending champion, overpowered seven-time winner Fiji, 35-17, in the final of the Cathay Pacific-Hongkong Bank Rugby Sevens tournament as teenager Jonah Lomu scored two tries.

Lubov Kreinlyova, the Russian middle-distance runner who won the bronze medal at the world indoor championships this month, has failed a drug test and will be barred for four years, the Russian Athletics Federation said.

Ricky Watters became a member of the Philadelphia Eagles when the San Francisco 49ers refused to match a \$6.9 million, three-year offer sheet to the star running back.

Eric Metcalf, the two-time Pro-Bowl running back and kick return specialist, was acquired by the Atlanta Falcons from the Cleveland Browns for a swap of first round draft choices; the day before, the Browns signed star wide receiver Andre Rison, a free agent, to a five-year deal worth \$17 million.

Massimo Moratti, the new president of the soccer club Internazionale, has made Eric Cantona his prime signing target for next season, newspapers in Italy and England reported.

A Finnish Success Story, Produced in Kenya

By Ian Thomsen
International Herald Tribune

DURHAM, England — Something was missing in Annemari Sandell's life. It wasn't speed or strength or stamina, because at 18 she appeared to have all of those. And it surely wasn't courage. Otherwise she never would have left her home in Finland two months ago to live in Kenya, where she was as different as pale could be, with hair the color of snow. But she was determined to keep up with the finest runners in the world.

She arrived in Nairobi in February with her coach and another Finnish athlete, a 24-year-old man. He lasted two weeks. Sandell was expected to stay for a month. She had never won a medal in the international junior competitions, whereas the Kenyans probably had treasure chests full of medals. And one month tends to be enough for tourists.

"It is so hard coaching somebody to a level like this," said her Finnish coach, Lasse Olav Mikkelsen, explaining how Sandell had won the junior race at the IAAF World Cross Country Championships on Saturday. "In Finland we must do everything the right way, because we have only this one girl. The Kenyans, they have 50 girls and maybe 100 boys."

She stayed for two weeks in Eldoret with Patrick Sang, the Kenyan Olympic and world champion runner-up in the steeplechase. Eldoret is 300 meters (985

feet) above sea level. It was her primer before entering the Kenyan team camp at Kigali, near Embu, another kilometer higher. Many of the Kenyans had trained in Finland in the summers, eating Finnish food, living like Finns. In turn, she was welcome to stay with the team in Kenya, but on similar, local terms.

The Kenyans shared rooms in a dormitory. They washed their own clothes in a bucket. They bathed from a bucket too, and the toilet was a hole in the ground. The meals every day tended around ugali, a mush of corn meal. Sandell ate ugali, ugali, ugali. In Finland she trained to exhaustion two times daily. In Kenya they trained three times, at 6 A.M., at 10 A.M., at 5 P.M., perhaps 10 kilometers each time, with chores and ugali in between.

"When you go to Kenya, the life is so different," Mikkelsen said. "The whole spirit is very different. You are like the runners in Africa. It is like this. Every morning at 6 o'clock they will come to me like this" — he smiled broadly, extending a handshake — "and they say, 'Hello, coach. How are you today?' I say fine, very well, how are you? And you know they are very tired. But they are smiling and they say, 'Fine, no problems.'"

He had been wary that the month away from home on someone else's terms might overwhelm Sandell. Of course he had worried; her parents had worried. So it wasn't an easy call at the end of the month to tell her parents that she would be extending her stay by two weeks. It was almost impossible to explain to her mother. But at the end of the month the coach flew home to the Finnish winter, leaving Sandell not by herself but with the Kenyans.

He reunited with her two weeks later, here, for the world championships, at the dormitory she was sharing with the Kenyans. The women's junior race was 4,470 meters, or two laps up and down the farm hills and along a slim river in northern England. From the beginning Sandell raced with the front pack of Kenyans, other Africans, and Anita Weyermann of Switzerland. The Kenyans knew Sandell's talent, and she was less of an opponent and more than a friend; but still, there might have been a sense that they could not be threatened by a *mwana*, a white. Otherwise they might not have entered two of their juniors in the senior race. After all, Kenyan juniors had won six of the top seven places last year in Budapest.

It was a raw, gray morning, foreign to Kenyans, though Europeans have rarely been able to take that advantage. Eventually the others fell back, leaving Sandell to enter the final turn alongside of Jebiwot Keitany, her 16-year-old Kenyan friend. Then something happened that had never happened before. Sandell began to pull away. She crossed the finish line alone, but for the first time in her competitive life she was not alone. She turned to wait for Keitany trailing five seconds behind (the runner-up in 14 minutes, 9 seconds overall), and for Nancy Kiprot of Kenya to come in eight seconds later, and for their teammate Jepkorir Ayibale to arrive four seconds after that.

"Running isn't only from strength," Mikkelsen, the Finnish coach, would decide later. "It is feeling, too. It is very much a spirit."

They all hugged each other, celebrating, and what an odd, wonderful sight that must have been for Sandell's parents on their television in Finland. It was the first they had seen of their daughter in two months. Then their phone rang and it was Annemari, calling from the finish line, telling her mother she would be bringing the gold medal home for mother's day.

As expected, Kenya took all four team titles, and Paul Tergat of Kenya won the featured senior men's race of 12,020 meters in 34 minutes, 5 seconds, with the help of runner-up teammate Ismael Kirui (34:13). But the other two individual titles went to Ethiopians — the junior men's race of 8,470 meters going to Assefa Mezgebu in 24:12; and Derartu Tulu, the Olympic 10,000-meter champion, bursting clear to win the women's senior event of 6,470 meters in 20:21, as Catherine McKiernan of Ireland finished second for the fourth straight year.

All successes came in spite of the Ethiopian federation, whose mistakes forced the team to travel over three days, arriving in Durham at 10 o'clock the night before the race. Furthermore it banned two men in punishment for their running in the final IAAF World Cross Challenge race in San Vittore, Italy, three weeks ago — including the winner, Fita Bayesa. His absence left Haile Gebrselassie, the 5,000-meter world record holder, to fend for himself against the Kenyans. He finished fourth and burst into tears at the finish line.

Young America, Team New Zealand Win Again

SAN DIEGO — Young America and Team New Zealand again appeared unstoppable in their quest to battle for the America's Cup, with victories in the defender and challenger trials.

Young America beat the America's syndicate's Mighty Mary by 47 seconds on Saturday and needs just one victory in its next five races to secure a place in the defender finals — the last hurdle before racing for the America's Cup.

Team New Zealand won its showdown against its chief rival, Tag Heuer Challenger, by 1:44. Team New Zealand's impressive black boat sailed for most of the

first beat with a spectator fleet of several hundred dolphins, then sailed away to its fifth successive semifinal victory. Chris Dickson's Team New Zealand is undefeated on the water with 27 victories through five rounds, its lone loss coming from a protest.

One Australia scored a crucial victory in the other challenger race, with a 1:39 victory over Nippon, which has yet to score a point in the semifinals.

With Team New Zealand virtually assured of a berth in the challenge finals, Tag Heuer and one Australia are locked in a battle for the remaining spot.

New Zealand has five points and

Tag Heuer is second with three, one point ahead of the Australians.

Young America leads the defenders' standings with five points, three clear of Stars & Stripes. America's is third with one point.

Saturday's races failed to provide much excitement as all three victors led around the first turning mark, gained momentum and pulled away from their opponents.

Young America, skippered by Kevin Mahaney, had the closest battle of the day's three races, but always managed to hold the upper hand on Mighty Mary with Leslie Egnat at the helm most of the way.

On Sunday, one Australia was facing Tag Heuer, while Young

America could clinch a semifinal berth and establish its superiority over Dennis Conner's Stars & Stripes.

On Friday, Stars & Stripes, beat Paul Cayard at the helm, beat America by eight seconds for its first victory in the semifinals.

Young America did not race on Friday.

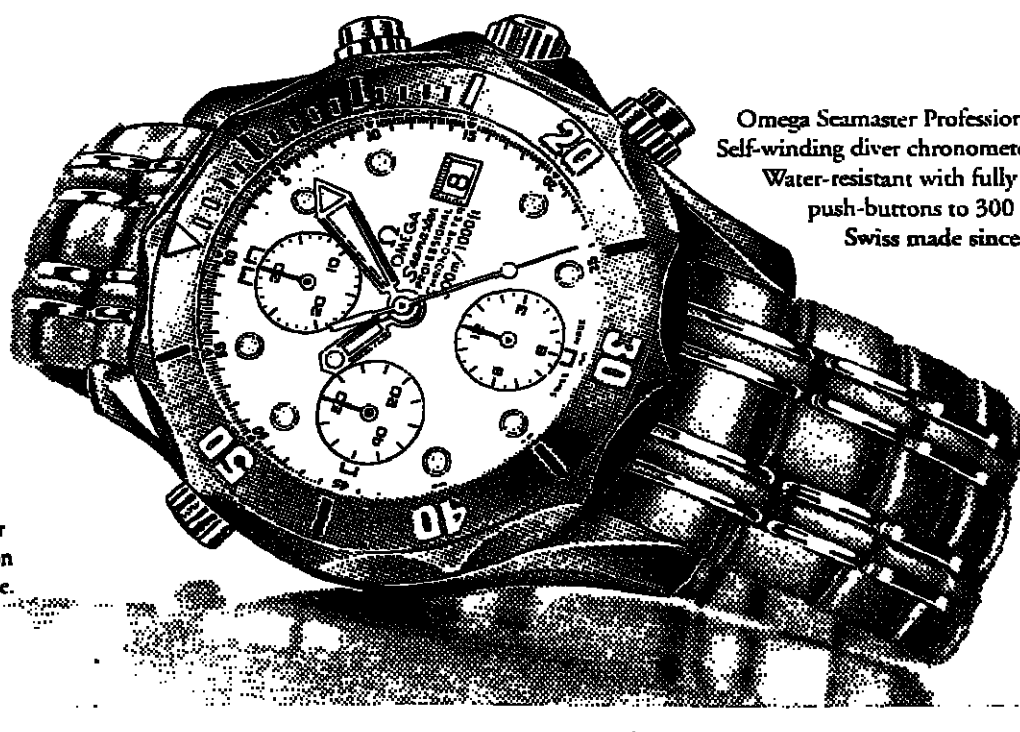
On the challenger course, the two New Zealand teams continued to reign.

Team New Zealand soundly defeated one Australia by 2:29, while Tag Heuer recovered from two equipment failures and used superior boat speed down the stretch to defeat Nippon by 23 seconds.



OMEGA

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OMEGA
The sign of excellence

By William Safire

Meanwhile, at the Justice Department, it occurred to appearance-conscious officials that the word *special*, so long associated with the independence of special prosecutors, could be used to give the illusion of independence to appointees chosen (*handpicked* is the pejorative verb) by the attorney general, and remaining under Justice Department control. Hence, *Special Counsel*. That was the title given to Frederick Lacey in 1992, when the Bush administration

As a single word, *burdensharing* is not in dictionaries or stylebooks. Ordinarily, that means the phrase is written as two words; as the use becomes more frequent, the two are treated as a compound and separated by a hyphen. Caldwell is groaning under quite a load, and I'd like to help him, but in my personal stylebook he is Deputy Assistant Secretary of State for *Burdens-Sharing*.

New York Times Service

By Paula Span
Washington Post Service

Is this really the serious, 55-year-old, Cambridge-educated polymath who found writing this 413-page book far more compelling than cranking out another



Turns out that unbeknown to many American fans, who still half-hope Cleese will break into tirades about deceased parrots despite the quarter-century that's passed since that Python jewel, he's long had this other, soberer life. "This is what John has always been like," says fellow Python Terry Gilliam. "Only the rest of the world thought he was a wacky, weird character."

And he first turned self-help author a decade ago, when he and Robin Skynner wrote their earlier

Yes, because there's going to be a sort of sequel to *Wanda* (they're calling it an "equal") to "*Wanda*," Cleese says. Cleese and Johnstone have been writing it since 1787, or so says Johnstone. Cleese insists. It reunites Cleese with Kevin Kline, Jamie Lee Curtis and Python-mate Michael Palin, though everyone is playing a different role this time. Cleese plays an Englishman named Rolloff "Military," Cleese says. "Ex-Hong Kong politician. Plays squash every day." Moreover, Johnstone re-

ports, laughing, "he represents all that was right—but things go wrong." More laughter. "Luck doesn't fall Rollo's way." This is sounding better and better. "It's terribly unfortunate."

So yes, But no—because after filming winds up this summer, "I shall probably do next to nothing except edit the film very gently, for most of the next year," Cleeze insists. After which, "I don't think I shall get soaked into making other movies or doing anything else at all."

Forecast for Tuesday through Thursday, as provided by Accu-Weather.

Forecast for Tuesday through Thursday, as provided by Accu-Weather.

North America
Heavy rain and wind will turn rather cold for the end of March Tuesday and into Wednesday, with remain cold Wednesday and Thursday. There could be showers from New York City to Washington, D.C. Wednesday, otherwise reasonable Tuesday through Thursday. Mostly dry in California this week.

Europe
Heavy rain will grip much of Europe from the Alps to Scandinavia and west to Britain. Showery, cold rain along with snow and fumes will fall widely. Western France to Greece and southern Italy will have bouts of strong wind and rain. Sunshine will brighten most of Spain and Portugal.

Asia
Widespread rains last night or two will break over eastern China Tuesday. Rain is likely from Korea southwest Japan Wednesday and to Tokyo by Thursday. Tuesday evening at midweek in southern China to Taiwan. Heavy thunderstorms erupt through Bangkok to Jakarta.

Africa

	Today		Tomorrow			Today		Tomorrow	
	High	Low	High	Low		High	Low	High	Low
Alas Drains	20/14	10/9	20/14	10/9					
Bahia	17/62	11/52	18/56	13/56	Algeria	14/64	12/53	17/62	11/51
Barbados	17/62	6/43	24/75	12/33	Chad Town	19/68	15/58	22/73	15/59
Chamorro	12/53	3/37	18/51	3/44	Ciudad Juarez	21/71	10/48	23/78	11/51
Chennai	17/62	6/43	17/62	9/48	Hanoi	22/71	10/50	24/78	11/51
Luxor	25/73	1/30	31/89	11/52	Harare	22/69	11/52	24/78	11/51
Puerto	26/79	9/48	29/84	14/57	Tunis	21/70	9/48	17/62	5/44

Legend: a, partly cloudy; c, cloudy; sh, showers; thunderstorms, r, rain; sh, snow; heavy rain; w, wind; lightning, all other, forecasts and data provided by Accu-Weather.

Asia		Today's High C/F		Today's Low C/F	
Bangkok	36.6/3	36.7/9	31.5/8	29.9/8	27.5/8
Beijing	11.9/52	32.7/91	12.5/53	8.4/46	8.4/46
Hong Kong	20.7/71	18.8/61	20.8/68	17.6/63	18.8/61
Kuala Lumpur	31.8/91	22.7/73	31.8/91	25.5/78	22.7/73
Manila	32.8/90	18.8/61	37.9/100	18.8/61	18.8/61
Osaka	5.9/43	3.9/39	5.9/43	3.9/39	3.9/39
Shanghai	18.8/61	8.4/46	19.0/65	10.2/50	10.2/50
Singapore	30.8/87	25.5/78	30.8/87	25.5/78	25.5/78
Tokyo	20.8/68	14.6/58	20.8/68	14.6/58	14.6/58
Yokohama	13.5/55	3.9/39	14.6/58	9.2/48	9.2/48

Latin America		Today's High C/F		Today's Low C/F	
Buenos Aires	30.8/87	20.8/68	30.8/87	18.8/61	18.8/61
Caracas	28.8/84	24.7/75	28.8/84	21.7/71	21.7/71
Guatemala	24.7/75	18.8/61	24.7/75	18.8/61	18.8/61
Managua	28.8/84	18.8/61	28.8/84	18.8/61	18.8/61
Mexico City	28.8/84	18.8/61	28.8/84	18.8/61	18.8/61
Panama	28.8/84	18.8/61	28.8/84	18.8/61	18.8/61
San Jose	26.7/80	18.8/61	26.7/80	18.8/61	18.8/61

North America		Today's High C/F		Today's Low C/F	
Anchorage	12.5/53	3.9/39	12.5/53	8.4/46	8.4/46
Atlanta	23.7/73	13.5/55	23.7/73	13.5/55	13.5/55
Boston	14.6/58	-1.9/29	14.6/58	14.6/58	14.6/58
Chicago	10.5/50	3.9/39	10.5/50	3.9/39	3.9/39
Denver	7.4/44	-3.9/25	7.4/44	-3.9/25	-3.9/25
Detroit	14.6/58	3.9/39	14.6/58	3.9/39	3.9/39
Honolulu	27.8/82	20.8/68	27.8/82	20.8/68	20.8/68
Los Angeles	27.8/82	18.8/61	27.8/82	18.8/61	18.8/61
London	27.8/82	20.8/68	27.8/82	20.8/68	20.8/68
Memphis	14.6/58	-1.9/29	14.6/58	-1.9/29	-1.9/29
Minneapolis	5.9/43	-2.5/28	5.9/43	-2.5/28	-2.5/28
Miami	27.8/82	18.8/61	27.8/82	18.8/61	18.8/61
New York	23.7/73	13.5/55	23.7/73	13.5/55	13.5/55
Phoenix	26.7/80	11.9/52	26.7/80	11.9/52	11.9/52
Portland	5.9/43	7.4/44	5.9/43	7.4/44	7.4/44
Seattle	18.8/61	-4.2/24	18.8/61	-4.2/24	-4.2/24
San Francisco	14.6/58	-1.9/29	14.6/58	-1.9/29	-1.9/29
San Jose	13.5/55	5.9/43	13.5/55	5.9/43	5.9/43

The Pachyderms Lead the Circus Parade Into Manhattan

By Michael Kaufman
New York Times Service

Rodney Huey, a vice president of the circus who was on his first animal walk to Madison Square Garden, explained that not only were such parades "traditional" but that they were also the most practical

elephants glided, their lined faces looking wise. One of the trainers said he thought they could probably get to where they were going without the guides.

When the procession came around the

He was asked if he thought this city would be a better place if it had elephants on the street all the time.

"Definitely," he replied.

[illegible]